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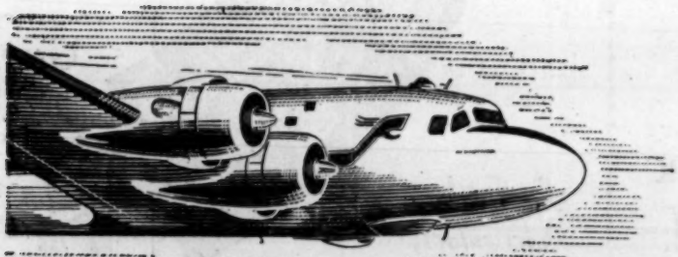

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A NEW SPIRIT FOR A PREDESTINED ROLE

A King, great in his goodness is about to be laid in his final resting-place and the British Commonwealth will take up once more, under a new Sovereign, the familiar round and common task. But the King, though dead, still speaks as a profound symbol of the virtues that elevate and hold sway below the surface strife of the world: duty, unity, selflessness, loyalty, and service.

As Mr. Churchill put it, a new sense of values took possession of human minds; a deep and solemn note was struck which resounded far and wide and made countless millions in many lands pause and look around them. Even in Communist lands the passing of the Head of a Royal House so firm, not merely in law but, as Mr. Nehru noted, in the affections of the people, must have been cause for unusual reflection. For like a flash in dark and lowering skies, it illumined the riches of spirit and tradition inherent in an order based so largely on voluntary service as well as on freedom.

Across the barrier of ideology that separates the two camps from the "one world" so often on the lips during the closing stages of the last war, the British people can look with eyes less prejudiced than others, for they have made the best—cynical critics would aver the worst—of both worlds. The truer they are to themselves the more surely will they play what looks almost like a predestined role in the decisions between peace and war. Few can see so well that disaster and untruth come of the undue simplification so common alike to the Communist and to the Communist-hater.

Meanwhile, surely the least that must reasonably be expected is a re-affirmation of unity and the bipartisan outlook which has endured for twelve years on foreign policy. It was wholly fortuitous, but nonetheless impressive, that the first news of the death of the King broke into and suspended a debate on Far Eastern policy which was destructive in tone, temper, and suspicion of the tradition of unity. And the shrill onslaught of the Leftists was animated, too, by hostility to that second article of faith in the direction of British foreign policy: basic solidarity with the United States. Much may be excused when fear of another world holocaust is a major factor in all minds; but the main duty is to work as closely and cordially as is possible with a Government which has, after all, shown as much restraint as resolution, of which the MacArthur episode was the most spectacular proof.

Britain can hardly afford partisan as distinct from party politics even in the fierce economic issues that have arisen. She cannot afford it in a world crisis of foreign policy. But the Prime Minister knows how feeling is running, and he told his constituents on the eve of the debate in the House of Commons that in spite of the sometimes violent and bitter party struggles, unity through friendship, courtesy and comradeship prevailed among the various sections of the British people. This should be given expression, he said, as it was in wartime, in the face of problems of international import and in facing the dangers and difficulties besetting the nation.

The astonishing thing about this controversy on Far Eastern policy is that it is based on a mere hypothesis. It arises wholly from what course of action shall be taken if and when—and only if and when—Communist aggression is renewed in Korea or elsewhere. Nobody can say for certain what will be the effect of the internal stresses and strains that are already replacing in China those which the war in Korea produced. Nor can it be said with absolute assurance what road the immense dynamic

forces will take that are still at work among an ancient people with the deep stirrings of resurgent youth. There are Imperial remembrances of past glories as well as the passion of new ideas and new ways. Revolutions often take into their orbit the sum of all the past and its periods of "glory" no less than the new aspirations of the future.

It is wise and natural to consider such possibilities. It is necessary that the Chiefs of Staff should take cognisance of them too in the normal performance of their duties. Actually, there is more than an even chance that if a truce comes it will be observed and that a Korean peace will become the pattern for a similar disposition of other conflicts, actual or potential. That certainly is the aim toward which all efforts should work; as in fact they are doing in the Korean truce talks, despite the long haggling, and even this is not without its reassurance. There would hardly have been so bitter a contest over every syllable and sentence if it were not the intention and the belief that the conditions would be loyally observed on both sides.

The Labour members of the majority group in Britain were worried—this mild word was that used by Mr. Gaitskell—over an American report that the attitude of the Churchill Government was nearer than that of the Labour Government had been to the American viewpoint. That does not carry the point very much farther, for there has been, even under the Labour Government, closer accord between the Governments in London and in Washington than between the Truman Administration and various Republican groups. Even in this very debate the former Labour Prime Minister laid it down that "anybody who in any way seeks to stir up bad blood between the British people and the Americans, or, indeed, between us and any of the other democratic forces, is doing a bad service to the cause of world peace."

The theme of the small Bevan group, to whom Mr. Attlee's words were a warning as much as to others, was that a world war is nearer "because of Mr. Churchill's visit to America." The Minister of State who assists the Foreign Secretary sharply criticised this "very dangerous and inflammatory" outlook, which is a pale version of Mr. Malik's assertion that the war is on. It is true that some Americans have been talking far ahead of the clock or of events. Senator Taft, on the other hand, has just brought off another of his many shifts in position to declare that the MacArthur policy is now impracticable; while ex-President Hoover and his cronies have again emerged to clamour for world seclusion.

There may yet be weeks of haggling before the truce is signed in Korea and months may pass in discussing, or refusing to discuss except in Press and on platform, the political settlement of the country.

The only danger of procrastination is that it would provoke a new crisis both of feelings and of events. On the other hand, it does not help to prevent such an irruption by making it manifest here and now that Britain and the United States do not see eye to eye about it. The essential thing is to discourage not only aggression but rash and intemperate action. Korea is divided ideologically anyway, and it is in many ways a more difficult division to remedy than a mere geographical division. The point is that a demonstration of Anglo-American unity of purpose is a greater deterrent than any demonstration of dissent could be.

It is no small thing that the basic understanding on which all the discussions have lately proceeded is that no change shall occur unless there is new aggression. There has been plenty of loose talk, but that is nevertheless the position. If any idea of a preventive war or armed intervention were still cherished in official, as distinct from irresponsible, circles in Washington, it has been made clear by Mr. Churchill himself that Britain is against it.

But while General Bradley no doubt still regards the war in Korea as the wrong war at the wrong time in the wrong place, he must necessarily consider what alternative is available if the war is renewed either there or elsewhere in the Far East. The issue, if any, is less a political than a strategic one, and the truth probably is that it has been left by the politicians where it belongs. Mr. Churchill hinted as much when he said that he and President Truman spent little time over it and clearly then only in the sense of Divisions, Divisions Mr. Churchill would rather have available for Europe than "wasted" in the Far East. The implication, too, is clear that if a new crisis should arise the decision will again be, as it was in June, 1950, a matter for Washington, and with it the major contribution. Meanwhile, there has been no commitment beyond consultation and the assurance that Britain will enter upon such consultations in the spirit of fellow-travellers with the President and General Bradley, not as fellow-travellers with the Kremlin and the Socialist intellectuals.

THE BATTLE FOR THE MIND IN CHINA

Like most revolutionary regimes, the new order in China is a mingling of good and evil. The proportions will be allotted according to the personal approach, and to the flow of developments. The basis remains much the same as it was in Russia before the death of Lenin and before the great plunges and purges that followed. The external phenomena have been aptly described as bearing a striking relationhip to the Soviet Revolution at every point, and in no aspect more than in foreign policy. But China is still a land of mixed economy and peasant ownership, and the revolution remains in the "Menshevik" stage. So far it has produced an energy and discipline, a control and purpose, unthinkable amidst the chaos and infirmities that preceded it.

None of the comfortable assumptions of the "agrarian reformer" days have been fulfilled. It would be wise, therefore, to count on a continuance of the process. The degree of

tolerance will conform, of course, to the interventionist or containment policies. In the earlier period of the People's Government stress was laid on the sharp contrast between serious and scientific thinking at one extreme and parrot-like repetition of propaganda slogans at the other.

The contrast was underlined between Mao Tse-tung's principle, "from facts get reality," and the very different slogan that all facts contrary to revolutionary theory are not real facts. The problem of split personality at the top has produced no schism or development of importance. The issue, posed less in fact than in theory, is being overlaid by the greater conflict, between the platoons of the Marxist standard-bearers on the one hand, and the brigades of Confucius and the companies of Hu Shih on the other. The call to battle has been uttered, but the Communists are too fully occupied at the moment with the campaigns against corruption, waste and bureaucratism to move with full force on the Thought Reform front. The campaign is still in the stage of tactical manoeuvre; but when the battle for the mind and intellect of China is joined in earnest it will be decisive.

On one thing the Communists have been more or less agreed from the very first. Those who were able to read the full record of the foundation conference of the Chinese Communist Party in Shanghai 30 years ago will never forget the iconoclasm of Chen Tu-hsiu's inaugural speech, the vehemence and vituperation with which he consigned to a damned oblivion all the old cultural heritage and way of life.

The same spirit informed all Lu Hsin's writings in the period he bridged between the submergence of Chen Tu-hsiu and the emergence of Mao Tse-tung. Not even the famous, or infamous, "burn the books and bury the scholars" speech of the first Emperor's Prime Minister Li Ssu was more violent. The ideological conflict between Marxism and the free way of life of a semi-socialistic economy like that of England is infinitely smaller than that between the Marxists and the age-old way of life—solid, enduring, subtle, original and supremely native—which Confucius codified and which pragmatists like Hu Shih tried to harmonise.

Revolutions, as we all know, devour their own children, though they sometimes take a long time about it. But the children also devour the revolutions. It will be found in the end that China will devour Communism, and Communism devour China, in a synthesis which is the true and inescapable issue of the revolution.

That is exactly what happened in the only other phase of China's history comparable to the present. Chin Shih Huang Ti and his Ministers, with centuries of ceaseless wars behind them, were resolved to put an end for ever to the warring kingdoms. They did so, and though they perished in the attempt, the Han Empire which followed shaped and cemented the synthesis that gave China the steel framework of the two thousand years of centralised Empire that came after Chin. The men of Chin, like the Communists today, blamed the evils of centuries of chaos and strife on the thought and cultural structure as much as on the basic divisions of the land into separate kingdoms. But though they did burn the books and bury the scholars, it was precisely in these things, and in the physical structure the first Empire created, that the secret of survival and durability was found.

The old system linked Emperor and individual in a well-defined ethical lineage. There is no Emperor and no Mandate of Heaven any longer. The synthesis must take account of that and harmonise government with the new mandate of the people, and this is provided for in the theory, although not yet in the practice, of universal suffrage and election, which will be an essential part of the final synthesis.

The tactics for the present are to make a frontal assault on the teachings of the principal scholars identified with the period of reform and adaptation, on which the overwhelming majority of the present intelligentsia have been brought up, and then to compel their non-Communist disciples to come out into the open and declare themselves through criticism and self-criticism. Humiliation, abasement and confession are no protection in the end. The victim is at the mercy of the inquisitors, whether he confesses or seeks refuge in silence.

Mao Tse-tung laid it down at the third session of the National Committee that ideological re-moulding, especially of the various intellectual elements, is one of the important conditions for thorough democratic reform and the gradual industrialisation of the country.

All classes and all activities come within the scope of the movement, but it is mainly directed against that great majority of the intelligentsia who never had any sympathy for or association with Communism or the Communist Party. Few indeed of the leaders of the Party are outstanding scholars whether in the Chinese or the Western tradition. They are learned in little or nothing beyond the restricted field of the Marxists. In the fields of classical learning, the wide modern range of philosophy and science, the Communists are as uninstructed as the non-Communist scholars themselves are in Dialectical Materialism. Both meet each other with arrogance, but the Marxists also bring to any jousts with their rival thinkers a bitter inferiority complex. There is no snob like the intellectual snob, and here they clash on a high plane indeed. They cannot even begin to talk the same language, so whilst the Communist is extremely assertive, the host of non-Communist scholars have sealed lips.

Even the freedom to be silent and to abstain is denied! The Communist insists upon conformity. Already it is proclaimed a venal sin to "get away from politics." The first warning came exactly a year after the People's Government had been formed. The Party pundits were perhaps a little diffident about openly attacking the most eminent scholar of his time who had accomplished the literary revolution when the top Communists were mere student leaders or library clerks. So they used the technique they have made their own and made Dr. Hu Shih's son the instrument, and the mouthpiece, of their venom. The arguments put into his mouth were as ridiculous and contemptible as the method itself. What Hu Shih objected to, his son was cited as saying, was "a revolution that would demolish the warlords, bureaucrats, landlords, and state machine." What is meant, of course, is that he opposed Communism. He was no less critical of the incompetence and "tutelage" of the Kuomintang.

The same technique is now being employed against another major group of scholars who stemmed from Liang Chi-chao, the foremost scholar-reformer before the first world war. And again they chose a son to scorn the father. Dr. Liang Se-ching, now a noted architect, is said to have accused his father, dead for twenty years, of having been a reactionary. He confessed that he himself had been a "silly admirer" of his father. The son of this famous scholar was himself educated at Princeton and was at one time a lecturer at Yale.

This was one of a series of these "self-confession" articles which began in the People's Daily last October, as soon as the nod was given from the men on high. They were written, of course, under pressure; but they are a hint of what is to come when the Communists really concentrate on the job of "washing out the poison of the old society," as Chou En-lai himself described it. It is not merely a matter, however, of disavowing all the inheritance of the past or sacrificing not only their rich and proud stock-in-trade but their personal pride and dignity. They must go back to school, sit at the feet of the men who know nothing but the drab and dreary doctrines of the Marxists, and themselves become avowed converts to the creed.

No rustic Communist from the backwoods is entrusted with the task of preparing the professors for the ordeal. The hierarchy have picked one of their own number, as they picked sons to denounce fathers, to bring them to heel. The President of the University of Peking, Ma Yin-chu, who is also Vice-Chairman of the East China Regional Administration, is chairman of the Thought Reform Committee, branches of which are to be formed in major centres. The cultural workers, he said, will have to discard individualism, liberalism and the cultural thoughts of the reactionary bourgeoisie of Europe and America and must equip themselves with Marxism-Leninism. Only Marxist thoughts were correct.

This will be the greatest and most decisive battle of the Communist revolution. Through all the chances and changes of Chinese history, the literati have maintained their integrity and jealously safeguarded the freedom of the mind. Tradition taught them to speak boldly even to Empefors. They will not all cringe before the proletarian prophets. A great purge will in the end become inevitable, but if ideas cannot be destroyed with bayonets neither can they be blotted out by purges.

NOTES ON CHINA'S COAST AND RIVERS

By

Sir Frederick Maze, K.C.M.G., K.B.E.

Until comparatively recent times the coast of China was little known either in Europe or America. This was due to the accident of her geographical and political isolation, which resulted in the development of fictitious ideas of national supremacy vis-a-vis foreign States, which contrasted strangely with her military weakness. Trade with foreigners at Canton during the early decades of the last century was conditionally tolerated, but not encouraged; foreign ships were frequently denied entry into coastal ports, and communication with the shore was often entirely forbidden. It should be considered, however, that in earlier times more friendly counsels occasionally prevailed and interdictions against foreign intercourse were less rigid: Confucius himself has told us that within the four seas all are brethren.

The maps of China prepared by the Jesuits long ago—those pioneers of learning that "have extended and embellished the fields of science and philosophy" throughout the world—remain to this day outstanding examples of accurate knowledge and detailed scientific research. In more recent times surveys of coastal areas, etc., were executed by the British Navy, and the charts based thereon were subsequently issued to the public. H.M.S. "Algerine", for example, was the first foreign warship to enter the harbour of Lushun K'ou, which ultimately became a storm-centre of world politics. The ship was commanded by Lieut.-Commander William Arthur, who not merely revealed the existence of the place to the outside world but gave it a foreign name—"Port Arthur"—which has stuck to it ever since. It may incidentally be remarked here that surprise has often been expressed that in most of the modern maps and charts of China foreign (i.e. non-Chinese) names of places appear with recurring frequency, as in the case cited above. The explanation is that in the absence of native charts the surveys concerned were conducted by foreigners who were not acquainted with the Chinese language. An interesting map of the Pratas Reef or Lagoon, situated about half-way between Hongkong and Manila, was drawn up by a British naval surveying party that visited the place in 1858 in H.M.S. "Dove". A meteorological station was established there some years back and its weather reports during the typhoon season proved valuable. It ceased to operate a few years ago, owing to communication difficulties.

In Eastern Asia some of the greatest rivers which rise on the borders of the Tibetan plateau—the Salween, Mekong and Irawaddy—flow into the Indian ocean or the South China sea; but the Yangtze and the Yellow river follow an eastward course and discharge their waters into the Yellow sea.

The Yangtze is variously known in China as the Ta chiang or Great river, Chin-sha chiang or Golden-sand river, and in the lower part of its course it is called Yangtze chiang (literally "Son of Yang" river), because the ancient Yang kingdom was formerly established near its then mouth in the Kiangsu province. Another Chinese character also pronounced "yang", signifying poplar-tree, is sometimes adopted erroneously by geographers, and the name "Son of the Ocean river" is also incorrect.

The physiographical history of the Yangtze is necessarily of a complex nature, since movements of the earth having a profound effect on one section of such a large river may not be felt in other parts. It has been divided by geologists into four sections, as follows:—

I. Upper Yangtze—from the headwaters of the river to Pingshan (about 200 miles above Chungking);
II. Middle Yangtze—from Pingshan to Ichang;
III. Lower Yangtze—from Ichang to Nanking; and
IV. Delta—from Nanking to the sea.

The waters of the Upper Yangtze were once part of the Red river system, and emptied into the South China sea. At this time what is now the Middle Yangtze (as defined above) was a river system draining East towards the Yellow sea. As the result of earth movements the drainage pattern was upset, and the tributaries of the Eastern system cut back and tapped those of the Red river, thus diverting them so that they flowed Eastward and formed what is now the present Yangtze system. As regards possible changes in the future of a like

nature, it has been suggested that if further earth movements occur in the Western region the waters of the Upper Yangtze may conceivably be diverted for a second time and might even escape into the Indian ocean instead of to the Yellow Sea.

In the Middle section of the river, as defined above, the Yangtze gorges are found. The course of the river there is at many points transverse to the underlying rock structure (i.e. the direction of the flow of the river through the gorges is sometimes transverse to the direction of the fold axes). Conflicting views are entertained regarding this phenomenon. Dr. V. K. Ting, the noted Chinese geologist, who made a special study of the geology of the Yangtze valley, asserted in connection with the origin of the gorges, that when the Yangtze first emerged from its source in the West, it scoured out a channel for itself over a flat plain towards the sea (that is to say, during the early stages of its development there were no mountains in its upper catchment area). And although earth movements at a later period caused the gradual buckling up of the strata on the plain, the river nevertheless was able to cut down its bed proportionately as the land rose—in other words, the scouring process more or less kept pace with the gradual elevation of the hills. Dr. Barbour, on the other hand, suggests that the folding and uplift of the strata occurred before the present drainage system was established. This movement, according to him, was followed by a very long period during which the land was once more worn away to form a surface of low relief, or peneplain *(i.e.* almost a plain), and the folded structure in the rocks became covered by a veneer of alluvium, and on this surface the Yangtze began to carve for itself a valley. A second period of earth movements caused the land to be uplifted, and the river in this area to trench down further, eventually producing the gorges as we know them today.

It is a curious fact that the prevailing wind in this area is mainly upstream and that the surface of the river in the gorges invariably remains more or less flat, however hard the wind may blow. Ordinarily the wind acting against so strong a current, which sometimes exceeds 12 miles per hour in the Wind-box gorge, would raise a considerable "sea", as is the case below Ichang, but in the vicinity of the gorges waves are not formed to any appreciable extent. This is partly attributable to the circular movement of the water caused by the numerous eddies or swirls and the small whirlpools constantly forming and disappearing; and to the fact that gravity action tends to keep the waters tied down, as it were, on their fall to the underlying rocks; and as the walls of the gorges are warmer than the water, the air in the vicinity moves vertically rather than horizontally, and is a contributing factor in flattening the surface of the stream.

As regards the vexed question of flood prevention below the gorges, an eminent hydraulic engineer stated in a report which he submitted to the Chinese Government a few years ago, that more information concerning the cost of works required in each independent section of the river, as compared with the economic value of the benefits accruing from freedom from inundation of the land affected less the loss of eventual fertilisation by floods, would be necessary before an opinion could be advanced as to the economic usefulness of such works. In the absence of data necessary to formulate an accurate statement in this connection, it is impossible to arrive at any definite conclusion. The prospects, however, seem at least sufficiently promising to justify, in a selected self-contained section of the river (as far as floods are concerned), a survey of the country affected and the preparation of approximate estimates of the engineering works required, in order that a balance sheet, on the line suggested, might be formulated. And the view was entertained that the Yangtze today is a serviceable river; and that the comparatively trifling cost hitherto incurred in carrying river-borne traffic below Hankow during the winter months (i.e. in the low-water season), is known to be far less than the annual charge which would have to be met on even the simplest form of river improvements. It was considered, therefore, that no useful purpose would be served under existing conditions, or even under the conditions likely to prevail for many years, by further consideration of undertaking costly river works on the lower Yangtze, which, in the nature of things, would in any case be experimental.

The Yellow river, 2,700 miles long, rises in Tibet at an altitude of some 14,000 feet, and is of greater historical but of less commercial interest than the Yangtze. Its lower course passes across the great plain of North China, which its silt-laden waters throughout the ages have helped to create. Some authorities think that this region was the cradle of the Chinese race. It is of alluvial and loess formation, has an area of over 60,000 square miles, is highly cultivated and densely populated. The enormous quantities of sand which the river carries, far exceeding the Yangtze in this respect, has gradually raised its bed, which in many districts is considerably higher than the surrounding country. In these untoward circumstances it became necessary in bygone times to construct a series of massive embankments or dikes to prevent it from overflowing and inundating the country through which it passes. The main dikes or levees are supplemented with secondary defence lines as an additional security, and the whole system was formerly controlled by a high-ranking official. Actually, the river was kept within these artificial limits with the greatest difficulty. The rainfall in the plain districts is variable, and during dry seasons the stream is not much larger than the Shannon is Ireland; but when the rains come the potential danger of floods increases with alarming rapidity. The inhabitants of the plain for generations past have thus dwelt under the grim shadow of disturbing uncertainty and impending danger. It is not surprising, therefore, that the river is known to them and others as the "Scourge of the Sons of Han", "China's Sorrow", etc. The original

embankments were skilfully contrived by Chinese engineers, who have no superiors where work of this nature is concerned. But in spite of all precautions it has still broken through these man-made enclosures, and has swept over the plain with disastrous results. Within historical knowledge it has changed its course several times, and has entered the sea at different points between the Northern port of Tientsin and Shanghai—over 700 miles apart. And it is not impossible for extraordinary conditions to arise in the future which might again bring the lower section of this river back to the Northern regions of China, in which case Tientsin might conceivably be obliterated. What is the solution of a problem which is at variance with some of the accepted conceptions of hydraulic engineering, and which is further complicated by the fact that in places the river is segregated from the general drainage of the plain over which it flows? Opinions on the subject are divided, and various schemes have been suggested, including deliberate flooding with the object of continuing the river's plain-raising and natural process, in selected districts; and afforestation. These plans, however, provide no immediate security, and their execution would necessarily extend over a long period of time. The former—flooding—would involve, moreover, serious administrative difficulties. It seems probable, therefore, that the future improvement and conservation of this extraordinary river will not materially differ from the ancient principles—the outcome of generations of dearly-bought experience—of protecting the inhabitants of the plain from calamity by the time-honoured method of endeavouring to retain it within bounds by means of dikes. Except for a comparatively short distance from its mouth, the Yellow river is not navigable in the ordinary sense of the word, although cumbersome ferry-boats carry people, livestock and goods across it at various centres.

EVALUATION OF THE JAPANESE ECONOMY

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I. NUCLEUS OF THE PROBLEM

It is more difficult than appears at the first glance to draw characteristically a living picture of a national economy. The causes of this difficulty are manifold, but the more important are the following three:

1. In economic matters, the evaluation even of actual conditions presents considerable difficulty.

2. To determine the various characteristics in them is a new task.

3. Future perspectives or policy-conscious ideas are liable to be confounded by facts.

Taking the first point, no one will dispute that the grasping of actual conditions is a difficult task, from the viewpoint that much remains to be done in the field of analytical and theoretical study in economic science, notwithstanding the advance that has taken place up to this day. To be sure, as will be stated later, great progress has been experienced in the study of theories. Statistics to explain actualities have been amassed, and the art of arranging them has seen a remarkable advance. But the mere amassing of data is not equivalent to the grasping of economic movements in life. Some thirty years ago, when Wesley C. Mitchell and others first advocated and pushed forward a statistical and positive study of business fluctuations, he remarked, pointing out the difference of a weather forecast and a business forecast, that while the weatherman can tell accurately at least whether it is fine or cloudy or raining at that instant, in forecasting business trends, the very fact whether present business is going well or not is sure to be controversial. During the lapse of thirty years, progress in these matters has been achieved to a certain extent. However, when we ponder over the substance of what gave birth to controversies then, it may be said that there are enough reason for the persistence of difficulties in dealing with business movements or economic dynamics, and that such difficulties cannot be put aside as a technical matter.

One of the reasons which complicates comprehension is due to the divergence of time at which a problem is contemplated. When speaking of the present, what stretch of time comes into view? Does it mean a short-range observation or a long-range one? And compared with the present, what period of time and what length of time shall be considered? For instance, supposing we adopt Schumpeter's theory that the waves of business movements are composed of the sum total of three waves consisting of Kondratief's 60-year major cycle, Jugler's 11-year cycle and Kichin's 40-months cycle, it may happen that a certain present is simultaneously located on the downward course in Kondratief's cycle, and on the upward course in Kichin's cycle. In such case, whether the observer's eye turns to the long-period cycle or the short-period cycle, different answers will naturally result to the same problem. The second reason is a more important one, that since all economic activities are based upon future perspectives, problems of the future necessarily creep into observations in evaluating the present. In other words, different pictures will be drawn of the present depending upon whether the observer sees the future in rosy colors or in darker hues. This explains, and there is no wonder, why the catchword theory of "Japan under the economic crisis" has persistently been able to recruit its advocates, regardless of how far and long her economy has shifted from an inflation to a deflation course. Leaving what kind of eye-glasses is to be used in this case to a later discussion when the third point is taken up, we must say that even the task to grasp actual conditions, pregnant as they are with future issues, is bound to be no easy matter.

To come to the second point, difficulties of a similar nature entail the grasping of characteristics, too. Characteristics in outward economic conditions, such as large population, narrow territory and diversified climate, may be amenable to evaluation in the way the facial contour is. But generally speaking, when we come to the inner phase of economic movements, such as the way money does its work, how capital is accumulated, and the reaction to changes of outward conditions, they are not easily grasped. The characteristics we thought we grasped as such may sometimes turn out to be no such characteristics, or else, even if they were, they may be found not func-

tioning at all. The situation can be compared to the difference in the evaluation of realities between a talented artist and a poor hand.

The situations which give rise to the difficulty under the second point are, roughly speaking, similar to those of the first point. Factors consisting of the problem of time, and especially the problem how the time factor of the future may be taken in, will exercise a powerful influence on the grasping of characteristics. Attention must also be paid to the fact that a new cause emphasizing such situations is added. This is the difference in the way of presenting the problem according to where the economic problem lies. Where there is no problem, there is no evaluation. This is clear enough. Only, when the facts are of an economic-social nature, they operate so vigorously as to affect even the most trifling details of the evaluation of actual conditions. Discussion of this issue now leads us to the third point.

Ideological doctrines or wishful perspectives, or sometimes more definite ideas on policies for the future, are liable to fuse into and affect the evaluation of present actualities, and this confusion obliterates the demarcation between science and non-science. This is so thoroughly discussed in the initial stage of the epistemology of science, that repetition is needless here. Speaking mainly about the objective evaluation of present actualities, it is sufficient to point out that ideology alone does not achieve its object after all. In regard to wishful perspectives, they must be deprecated in scientific reasoning as much as possible insofar as they belong to a speculation purely subjective as the term suggests. As for policy-conscious ideas, though it will be as difficult as for ideology, to completely escape from the influence of their objectives, conversely their divergence from actual facts should emphatically be pointed out, for accord in interpreting actualities does not always mean accord in policies to amend them.

In short, situations that render difficult the evaluation of economic actualities, and especially the grasping of their characteristics, are more complicated than seen at first sight and cannot be coped with in a simple way. Even in regard to each of the foregoing three points, the basic method of speculation is open to criticisms and, even if not, things considered "possible" in abstract speculation may sometimes turn out to be not possible in practice upon analysis and evaluation of actualities. To exaggerate, difficulties envisaged here are, as stated earlier, inherent in economics and will in that very sense remain problems forever. This must be kept in mind for, when forgotten, unnecessary confusion in the methods of evaluating peculiarities will occur.

The use of the expression, "problems for ever," should not be taken to suggest giving up these problems, nor that until these basic problems have been solved one cannot draw the visage of the Japanese economy. On the contrary, firstly, the general tendency to economic planning, intensified through the experiences of the war, requires more than ever that the characteristics of the national economy should be clarified. In the case of the Japanese economy, the necessity of knowing its specific position in the world economy when it will be restored to form a link in it, is growing. Secondly, the solution of the basic problems pointed out above will be promoted through the development of a method of concrete evaluation. There is, of course, an important difference between a theoretical and practical method of solving problems. In natural science where, after a theoretical solution is achieved, it is applied in a practical way to work out a solution of concrete problems, this difference is most outstanding. In the case of social science, however, where experiments cannot be utilized forthwith as in natural science, the process is not so simple. Controlled economy may turn out to be an experiment which will never be repeated, yet from experiences of economic control or planning, clues to a solution of fundamental problems may surely be found. In this very sense, the system set up for a practical purpose to clarify characteristics, or the demonstration which develops from it, serves at the same time for the solution of fundamental problems. Methods proposed for economics have grown up in this way. Those proposed for economic analysis cover a number of schools, some extremely abstract and others extremely concrete. But the problem underlying all these apparently different methods is one. The reason why the fundamental difficulty underlying the method of evaluation has been discussed at the head of the present essay is to clearly point this out.

II. TWO WAYS OF EVALUATION

The way to evaluate an economy is the method by which to understand an economy. When we discuss the evaluation of characteristics, something more concrete is meant, but there is no difference whatever in the substance of the problem. When characteristics concern outward economic factors, as for instance, the size of population of an area or territory, their evaluation and a knowledge of the economy itself may be looked upon from different planes. There were times when that way of evaluation passed as legitimate. But it is not the characteristics in a static economy, but in its dynamic process, that matters here. In that case attention will be concentrated mainly on the internal movements of the economy, and even in the case external data are looked for, emphasis must be laid on the co-relationship between changes in data and the adaptation of the economy to the former. Looking back on the history of economic science, one will find how the way to understand economy and, accordingly, the way to evaluate its characteristics have been pushed ahead along this line. In this way, insofar as we seize problems on the plane where present-time economics stands, the problem is how to grasp economy which calls for digging deep into the innermost core of the theoretical system of today.

Based on the present level of economics, we perceive there are two different ways to grasp an economy. One is to understand all economic changes by means of changes in the system of principal variables in economic matters, represented by the positions taken by classical or neo-classical economists from Alfred Marshall down to A. C. Pigou. The other is the analyzing of national income, represented by the position of the so-called "New Economics" school (Harris) since John M. Keynes. The meaning of the former viewpoint will be immediately made clear if we substitute "the system of principal variables" with wages, prices and interest rates. Wages, prices and interest rates are generally nothing else than the monetary expression of relative values. The classical economists tried to explain the laws of economic changes through the instrumentality of changes in these systems of relative values. They say all changes of wage rates; all changes in the demand-supply relationship of products reflect themselves finally in prices; changes like equilibrium or disequilibrium in the demand and supply of money, or therefore capital, reflect themselves in changing rates of interest. Thus, if one can get hold of the movements of the factor of production (labor) by means of wages, see the flow and ebb of products by means of prices, and catch the process of capital accumulation by the trend of interest rates, the laws of basic movements of economy can be grasped through the movements of principal variables.

I once gave these principal variables the name of parameters. (By the way, Professor Shigeto Tsuru in his recent book, National Income and Reproduction, in Japanese, Tokyo, 1951, mentions barometers by which he means nearly the same). For example, while wages as a parameter are said to be directly governed by the demand-supply relationships of labor, factors that influence the demand and the supply are numberless. It is almost needless to point out that the move-

ments of population, changes in age structure, changes in occupation, changes in industrial structure, migrations, labor law reforms, the behavior of labor movements, social customs, ethical ideas toward labor, and any and every item conceivable affect the supply of labor. All these factors, in relation to the problems facing us, are respectively factors constituting the peculiarities of a national economy. If changes in these factors are reflected in the parameters and these parameters are so constructed that changes can be read from them by being organized into one mutually dependent system—this is the basic idea on which the equilibrium theory stands in its primitive form,—the theory of parameters will be the clearest method of grasping an economy.

To indicate that this viewpoint developed at a time when economics was born in England, we termed this theory of the past. When, for example, it is explained that the fall in day-laborers wages in Japan's agriculture last year was due to an excess of labor supply caused by a migratory movement to farms, and that the fall in the price of iron and steel in March 1951 was a reflection of the price decline of the same commodity in overseas markets, the classical method of interpreting economic movements fully justifies itself and there is ample reason why this method should continue as a necessary foundation of economic theory. This is the more essential as modern economic theories and even the Marxian economics are drawing heavily from this ancient source. These classical theories are, of course, not the sole source for the study of economics today, and we do not deny that there have been a number of variations from the positions held before. What is important is that they play a very vital role as a method of evaluation of an economy.

The second method by means of national income dates back to Keynes' General Theory (London, 1936), Analysis in Gardner C. Means, The Structure of the American Economy (Washington, 1939), the analytical study of industrial structure by W. Leontief, and that of national income in the White Paper of the British Government, which latter attracted attention during the war, while each differing in detail and emphasis, had much in common in not contenting themselves with the so-called price-analysis, but in attempting to take one step closer toward matters more real and more structural. Arguments have already been raised against the price-analysis method or the analysis by the parameter system. Though the prestige of the method invented and expanded by the classical school still finds its place in contemporary economics, its superficial way of evaluation, its relative way of seeing things, and the way of grasping economic matters from what Dr. Shinshichi Miura termed "the nominalistic standpoint in English thought," was the target of criticisms levelled even by followers of the classical school. When Pigou in 1920 under the title of Economics of Welfare (1 ed., London, 1920) advocated a turn "from price-analysis to income-analysis," he had raised the first voice for the analysis of national income as we understand it today.

The method by means of national incomes, which we take up here as a second method alongside that by parameters, dates back to Keynes. Indeed, the notion of collective economy in contrast to the viewpoint of individual economy, the concept of the whole in contrast to the concept of each, the income analysis in contrast to price-analysis, and other necessary ways to grasp economy through national income, has been moulded and tempered by Keynes and a good number of Keynesians. It was since Keynes, too, that these weapons in combination with statistical data were developed quantitatively. The ease with which the Keynesian concept of the whole can be combined with statistical figures throws a light never known before on the problem of characterizing a national economy, which is our subject matter, and this is why the second method has been adopted. We do not, of course, suggest that therefore this is the only way for the positive study of modern economy. For a while, it looked as if it were antagonistic to the first method, this being the fate common to every new theory, but at present, the new theory is with reason interpreted as the necessary development of the former.

Endless discussions will ensure if we enter into the details of the first and second methods or ways of thinking, and many problems remain to be solved as regards their interrelation. We shall not deal with these issues here, but merely point out that these two are the only basic methods that contemporary economics have devised. The problem is how to combine them for the evaluation of the Japanese economy. Speaking conclusively, as the development from the first to the second is considered more natural and in a sense necessary, we must emphasize the second one. As will be shown later by example, the profits to be gained through the use of this method will not be small. The most important merit is that the evaluation of characteristics can be made more substantial. The first method is too abstract and general as its phenomenistic character naturally suggests. It is possible that, if we take the standpoint of stability according to the price-centered parameter system, one will see no difference as a matter of form between the mammoth economy of America and the pygmy economy of Japan. Of course, when we look into detail, we find a great difference in the manner the economy reacts, and the extent it adapts itself to the changes of data, and through this difference we can grasp the characteristics of each economy. But the abstractness of a method is apt to force the analytical process to remain abstract and not to go any further, leaving concrete differences to be combined with extra-economic data directly, instead of through the method itself. The analysis of national income, on the other hand, can shake itself free from such abstraction in that it deals with concrete and statistical data.

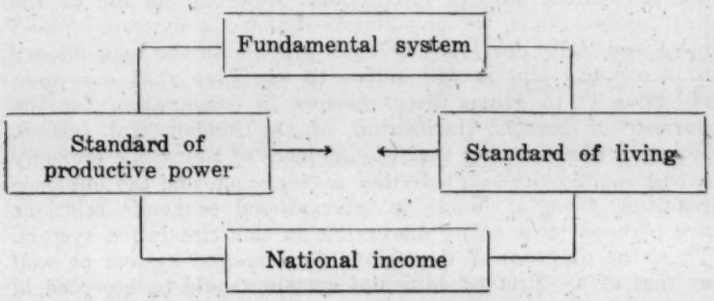
This possibility must be highly estimated. Frankly speaking, however, it is doubtful whether the method by national income as at present, is sufficient concrete. National income, as well as price in the first method, are general and abstract ideas, and by themselves can never be called concrete. Against the advantage of embodying all problems, their weakness is that they often lack focus in analysis. The criticism that the most recent development in the analysis of national income is too technical, reminds one that at a certain stage the price analysis was said to be nothing better than exercises in pure mathematics. Such weakness seems to emanate from the generality of these methods in grasping economy. For an evaluation of the Japanese economy, these methods should be more concrete and should be provided with a focus. This can be done by making those specific problems a focus which characterize the Japanese economy. Once these specific problems are made a focus, both methods will show their real value. These methods may also serve to test if the problems chosen for the focus are true or false. This test is now being offered on a world-wide scale. What problems of the Japanese economy may be used in this connection? Our consideration starts from this.

III. FIRST METHOD—FOUNDATION

It needs no repeating here that an economy is the social order of production and consumption. The relationship between production and consumption is most vital in an economy. If the characteristics of a national economy are defined by this relationship, they will be fundamental in the national economy. Reversely, overpopulation, the shortage of natural resources, the volume of foreign trade, or any other condition that is commonly mentioned as a characteristic of the Japanese economy, will reflect themselves on this vital relationship if they really characterize it. In fact, such characteristics do actually exist and are being subjected to study from various angles.

Let us curtly call it the contradiction between the standard of productive power and the standard of living. We may say, the problem arises where the standard of living cannot catch up with a rise of productive power, or where a rise of productive power is hindered by the low standard of living. The most important characteristics are revealed in this vital relationship.

In criticizing Malthus, Pigou once said (Economics of Welfare, Part 1) that Malthus thought that as the income of society increases, it will be absorbed into an increased population and will leave mankind as poor as ever. Pigou countered that though a part of the increase of income goes to stimulate marriage and is absorbed into the increase of population, other parts do not reveal their effect on the increase of children but on the elevation of living standards. Pigou argued that Malthus saw only one side of things at the cost of the other. Certainly, the history of Europe demonstrates his theory. For, it is generally agreed that one of the important reasons why in the nineteenth century, and especially in the latter half, the rate of population increase sharply declined, was the improvement of living standards. That is to say, Mathus' theory was refuted by the facts as revealed by statistics. But in the case of Japan the situation is different. No one denies that the Japanese economy has shown great progress in productive power, though not without weakness in other respects. For instance, Colin Clark points out that the advance of productive power of the Japanese economy in thirty years is comparable with that of India in one hundred and fifty years. Though some questions may be raised about the adequacy of the periods compared and the way of comparison, it is evident that the expansion of the Japanese economy experienced in the last seventy years compares by no means unfavorably with that of many European countries. To use simpler language, this can be proved by the fact that during the same period her population more than doubled, or increased from 35 million to 80 million. Obviously, the advance of productive power means an increase in national income, which may suggest an ensuing higher standard of national life. Japan here has taken a course entirely different from that of European countries. Almost the whole of the increase of national income has been absorbed to boost the population, and not to elevate the living standard of individuals, and, therefore, the standard of national consumption. Hence the tragic persistence of advancing accumulation of industrial capital in parallel with cheap labor. To clarify the root-cause and conditions will at the same time be nothing short of revealing the most important characteristics of the Japanese economy. This contradiction between the standard of productive power and the standard of living has hitherto been taken up in various forms of study. A variety of devices may be worked out to carry on an analysis. On our part, reverting to the general discussion developed in the previous section, we recommend the method of analysis of national income as most useful and workable. The fundamental diagram may be drawn here as below.



In characterizing the Japanese economy according to the above simple diagram, we shall have to combine productive power and the standard of living with national income as a medium. For we are shown that the inaccurate grasping of the concept or substance have blocked the road to our basic problem against the separate study of the problems.

First, the sociological concept of the living standard must be replaced by the more definite economic concept of the standard of consumption. For the living standard which emerges only by taking into account the whole of family relations, climate and social customs, is different from the standard of consumption which permits objective measurement by price and the volume of goods. Naturally, there is a close relation between them. Through this medium of close relationship, the characteristics of the Japanese economy are naturally related to those of Japanese society.

But economic analysis will not always explain sociological phenomena. In the process of analysis it will be found that if we consciously restrict problems of the living standard and substitute national consumption, we shall be able to connect effectively with the analysis of national income.

There are other problems in regard to the standard of productive power. Here, labor and capital as factors of productive power will each be subjected to analysis. What calls for our attention in this connection is the fact that the serious problem is not the fixing of the standard but rather the measurement of its movements. This has been made clear in the foregoing argument that the characteristics of an economy are none other than the characteristics of motion, but, in contrast to former characteristics studies that have been static, this point needs special emphasis. In respect to labor, the process of the increase of population and of the reproduction of labor power, and, in respect to capital, the dynamic phases of the formation and accumulation of capital, rather than structural and specific items like land, natural resources and equipment, must be paid attention to. For, this is not only required by the method intended to grasp characteristics, but what is worth emphasis, this viewpoint will render analyses by these means and by national income possible and feasible. This will be clear from the explanation that the analysis of national income is a means, termed "flow analysis," to catch the flow of productive value (income) produced annually. As against this method of flow analysis, a more comprehensive "stock analysis" is being proposed as necessary even among advocates of national income; and flow analysis alone cannot do all that national-income analysis does. But it is nevertheless clear that the fundamental factor is the grasping and understanding of income in the state of flux. It can be said therefore that its combination with dynamic analysis is possible. Even on this point, it is doubtful whether national-income analysis as at present can answer the questions posed. More is needed to clarify its character as an analysis-weapon from the angle we have proposed.

As stated above, when productive power and the living standard, though in contradiction with each other, can be theoretically connected through national income as a medium common to both, the foundation by which to tackle the contradiction can be conclusively said as having been laid. The advantage of national income as a common denominator is due to repercussions from fiscal interference like taxes and levies as well as international relations—which are, as will later be touched upon, indices to be operated from another side-angle in characterizing the Japanese economy—can be considered simultaneously so far as the repercussions concern the formation and fluctuations of national income. Especially, an enhanced position of fiscal activities in a national economy, as advocated by A. Hansen, can be taken as a sufficient basis for a diagram which characterizes a national economy. If its importance to the production-consumption relationship can be seen on this basis, the primary requirement of such diagram should be met. In this way the fundamental system, as mentioned above, would be established.

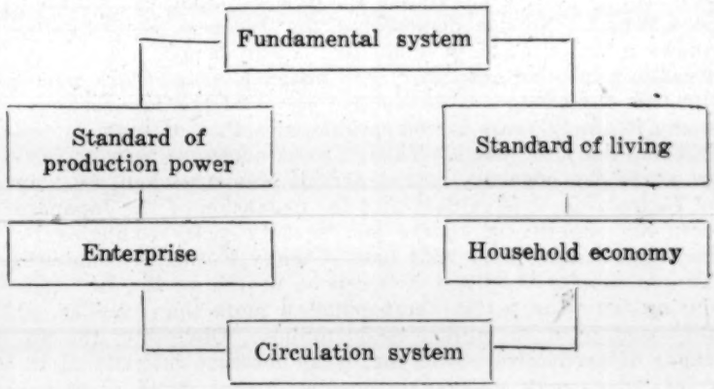
IV. SECOND METHOD—CIRCULATION

The means of expressing in economic usage the fundamental order of production and consumption is, needless to say, circulation. It has already been pointed out that the parameter system represented by price was developed as the most common method to grasp economic movements. As also pointed out then, circulation as a means of expressing the fundamental order, will be the problem for us who are concerned with the characteristics of the Japanese economy.

The greatest problem in the Japanese economy, viewed from the standpoint of circulation, is its limited flexibility and its vulnerability to changes in environment. This was most keenly felt in the inflation stage immediately after the war, and can be fully noticed in the recent tendency of rising prices mirroring the world-wide rearmament trend. During about ten months since the outbreak of the Korean war the price advance in Japan exceeded 30% in terms of the general index number, while that in America was only about 17%. This evidences the weak resisting power of the economic circulation system of Japan in regard to the vicissitudes of environment. High dependence on the world economy is one of the reasons; the fragility of the foundation of national life is another. Anyway, these weaknesses, in combination with the above mentioned fundamental system, are part of the characteristics of the Japanese economy. In connection with the living standard, individuals are greatly affected by the fluctuation of the price structure. The living standard of the nation during the last twenty years may not be adequately explained without taking into account this standard itself, but also the amplitude of its fluctuations. This is why not only volume, but stability is an important issue. The same may be said of productive power. Nay, in this case the degree it is affected by the prices will be greater, as it is directly related to the international economy. It affects vitally the volume and trend of the formation and accumulation of capital. One can consider this as an instance in which the sensitiveness of the parameter system rather tends to impede the visualization of economic stability in connection with the realities of the Japanese economy.

This trait in the circulation system in the economy of Japan not only reflects the fundamental system. More important is that the change of the circulation system centering round prices sometimes evens up the fundamental contradiction between production and consumption, and sometimes makes it keener. It is common sense in theoretical economics that prices denote equilibrium of various factors in the economy on the one hand and constitute a starting point toward a new equilibrium of these factors on the other. As long as free calculation is dominant in forming prices, the price of rice in the market denotes the equilibrium between the demand and supply of rice. This price of rice, however, is a requisite in farmers' plans, upon which are planned next year's production, and at the same time is a requisite upon which general consumers base their calculation of consumption in the household economy. Because of these double factors, the price system is generally known as a nucleus of the economic order. This double function of prices has an important bearing upon production and livelihood, between which a contradictory relationship exists. Firstly, when equalization in the price system works upon the standard of national life through a change of national income, the tendency is toward the lowest standard, just as water flows into the lowest place until resistance grows at last to halt the equilibrizing movement. The importance circulation bears on the problem of living standards will thus be seen. This problem has recently been taken into consideration in assessing the tax burden. However, for an inquiry into the importance in national life of the taxation problem, it will be necessary to discuss the fundamental function of circulation. Needless to say, lack of equilibrium in prices tends to enlarge the fundamental contradiction between production and living standards. This fact can be seen, above all, in the peculiarity of capital accumulation in the economy of Japan. Where and how has new capital been accumulated through the period of inflation? How has the profit urge been realized in the course of rising prices? The assertion that inflation to some extent should be rather encouraged for the sake of production expansion and the assertion that stability should be maintained for the sake of the security of living—these two different assertions with which we are frequently faced indicate after all the nucleus of the problem.

The price system tends to cause the contradictory relationship between production and living to be absorbed in the individual economics of the entrepreneur and household economy on the one hand, and works to enlarge this contradictory relationship through a change in prices on the other hand. This relation will be shown in the following diagram. This diagram aims to take up the problems in the economy of Japan more unitedly in connection with the fundamental system, these problems arising separately through an analysis of inflation and taxation.



It may not be possible to understand this diagram because it merely shows the general relationship. To understand it, it is necessary to examine the flexibility of the household economy in regard to prices through analysis of the current situation of the economy of Japan, and to do so attention must be paid to the difference on this point between the farmer and the laborer. The same is true with enterprise. Here we must examine for each industry to what degree the productive structure of the enterprise is sensitive to the change of prices and how this reacts on the productivity of the enterprise. As mentioned the foundation common to the above relationship is the price system, but this system must be classified into the three categories of wages, prices and interest, which must be established concretely for each industry, occupation and market. To grasp this relationship as circulation, one will not be able to neglect finance and currency which are a concrete part of circulation. However, as far as the first method which we have classified above is concerned, these have been fully developed through practice in the long history of economics and it will suffice to say here that our main objective is to grasp these matters in combination for the purpose of greater clarification of the fundamental system. It goes without saying that the influence of the public economy acting mainly through activities of financing, and the influence resulting from a change in international economic relations are perhaps most easily discernible in this circulation system. Thus, the diagram of the second fundamental system as well as that of the first fundamental system should be accepted in evaluating the eeconomy of Japan.

In a similar way, a third and fourth system, and a third and fourth diagram may be contemplated. As a complement

of the above, we can easily suggest, for instance, "relationship in industrial structure," "relationship between public and private economy" and "relationship of the national economy to international economy." First, as regards relationship in industrial structure, anyone will recognize that the largest problem in the economy of Japan is the relationship between agriculture and industry. This relationship is a characteristic of the economy of Japan viewed from both angles, that is of the problem of migration of labor on the one hand, and the circulation of products against food on the other. In other words, the contradiction between production and living, generally spoken of as fundamental, is expressed more concretely through the foregoing double-faced contacts between industry and agriculture. The contradiction is not only expressed, but is sometimes softened and sometimes strengthened by these contacts, which circumstances are not different from those mentioned in regard to the circulation system. Therefore, an analysis of this relationship will mean more than a mere complementary diagram. Secondly, the relationship between public and private economy, since it has been often referred to, will not be discussed again. In short, the importance this relationship holds to our problem can be conjectured from the increasing attempts to grasp the characteristics of the modern economy based on this relationship. Thirdly, international economic relations in the economy of Japan with both the fundamental and the circulation system, are, as already explained, characterized by great dependence on foreign trade. Furthermore, since this relationship is, in a way, the final conclusion of an evaluation of the characteristics of the Japanese economy, special attention should be paid to it. Our task was to give a picture of the "face of the Japanese economy" in order to grasp the characteristics of its flow. The methodology which has been developed for this purpose is still in skeleton and is susceptible of future development. Such development, I presume, should be in the direction of international comparison.

FOREIGN INVESTMENTS IN EAST ASIAN COUNTRIES

Foreign Investment Laws and Regulations of East Asian Countries

PART IV

JAPAN

1. Government Policy

Under the direction of the Supreme Commander of the Allied Powers (SCAP), the Japanese Government issued Cabinet Order No. 51 of 1949, "Cabinet Order concerning the acquisition of properties and/or Rights by Foreign Nationals" and Cabinet Order No. 3 of 1950, "Cabinet Order concerning business activity of Foreign Nationals," which provide for the regulation of foreign business and investment activities. The policy underlying these regulations is to welcome such investments as will improve the Japanese foreign exchange position and contribute to its economic rehabilitation. Cabinet Order No. 51 stipulates that acquisition of the following types of property by foreign nationals requires validation by the Foreign Investment Commission of the Japanese Government:

(a) Stocks, shares and interests in the profits of an enterprise.

(b) Lands, buildings, plants, mining rights, placer mining rights and rights pertaining thereto. The acquisition of property for reasonable residential purposes, however, does not require validation.

(c) Leases, perpetual tenancy, mortgages, liens or options concerning the properties mentioned in (a) and (b) above.

(d) Patents, model and utility rights.

(e) Rights for a period of over one year to a proportion of output or sales of an enterprise.

The following conditions must be satisfied before validation can be secured:

(i) Acquisition is necessary to carry on current business activities in the case of persons in continuous residence in Japan since 2 September 1945 or is necessary for resuming a pre-war activity in the case of restitution of pre-war Allied property.

(ii) Acquisition is necessary for carrying on a new activity which will improve the Japanese foreign exchange position or positively aid in its economic rehabilitation.

(iii) Cases in which acquisition is made with yen funds, the source of the yen should be legal.

(iv) Transaction is free from fraud, duress or undue influence in any way assignable to the Occupation Forces.

Cabinet Order No. 3 of 1950 provides that:

(a) Specific SCAP permission for engaging in business is necessary for persons and firms importing or disseminating educational, informational or cultural materials from abroad and for military personnel and personnel attached to or accompanying Occupation Forces.

(b) Japanese government licences are necessary for the following enterprises:

(1) Banking. (2) Insurance. (3) Communications. (4) Transportation. (5) Public utilities. (6) Professional services. (7) Other business as may be designated by SCAP.

(c) Business activities other than those mentioned in (a) and (b) above are authorized provided they are regulated on an equal footing with those of Japanese nationals.

The government agencies and local public entities are required to seek the opinion of the Foreign Investment Commission before taking, authorizing, approving or disapproving action in respect of banking, insurance, transportation, gas and electric industries and such other businesses as may be specified later. The Commission can issue licences in the case of such businesses which fall in the above categories but which do not require licences or authorization from other government agencies or local public entities and also in the case of lawyers, authorized accountants, doctors, and other professions requiring special qualifications. Licences issued by the Commission do not waive any other validation, permission or other disposition which may be required under other laws and regulations with regard to the acquisition of materials, facilities or services, or other transactions or actions. The Commission requires reports on the commencement or closure of licensed businesses and is empowered to make inspections.

The Government has adopted the following measures to facilitate foreign investments:

(1) Amendment of Anti-Monopoly Law (18 June 1949):

(a) Relaxation of definition of "competition."

(b) Relaxation of limitations on international agreements.

(c) Relaxation of acquisition of shares in companies.

(2) Protection of patent rights:

(a) Revision of laws and regulations of Industrial Patents Law (2 December 1948).

Omission of following provisions regarding Allied nationals' patents:

(i) Stoppage of registration of patents.

(ii) Prohibition of application for patent judgments.

(iii) Rescission of registration of patents.

(b) Establishment of temporary measures concerning Allied patents (16 August 1949).

(i) Extension of expiry date of patents.

(ii) Priority for registration purposes of patents registered in Allied countries twelve months prior to the outbreak of war.

(3) Restoration of Allied property:

(a) Cabinet Order dated 31 May 1946 concerning restoration of Allied property. This Order stipulates that property may be restituted "as is."

(b) Cabinet Order dated 18 August 1949 concerning restoration of Allied stock.

(i) Restoration of substitute stock.

(ii) Restoration of original stock and all other stock allotted thereto.

(iii) Exceptions to the Commercial Code to allow the above.

The Japanese Government is reported to be studying various steps to encourage foreign investors, such as special taxation exemptions for approved foreign investments and guarantees for foreign exchange remittances.

There are no laws and regulations governing the maximum percentage of foreign capital permitted in various enterprises, the compulsory minimum percentage of the nationals of the country on the board of directors and the compulsory minimum employment or training of the nationals of the country by foreign concerns.

Japan has not entered into any treaty arrangements with any country in respect of foreign investments.

2. Nationalization of Industries

The following industries are under complete public ownership and management at present:

(a) Tobacco manufacturing.

(b) Telegraph and telephone.

(c) Mail enterprise.

Railways are at present partly under public ownership and partly under private ownership.

Nationalization of any industry is not under consideration at present. No policy about the payment of compensation in the event of nationalization of privately owned concerns appears to have been laid down so far.

3. Economic Controls

(a) Industry

Enterprises such as local railways, tramways, overland transportation, shipping, electric power, gas, coal' etc., are controlled by the Government in accordance with the Enterprise Law.

Production of government monopolies such as salt, leaf tobacco, alcohol, camphor, etc., are undertaken by private enterprises under strict government supervision.

(b) Banking

Banking is governed by the Japanese Banking Law. Every bank is required to take out a licence and to have a minimum capital of one million yen. If, however, it has an office in certain places designated by ordinance, it should have a minimum capital of 2 million yen.

Every foreign bank desirous of establishing a branch office or an agency in Japan is required, in addition to obtaining a licence from the Government, to appoint a representative for each such office. The Government may impose on its business such restrictions as may be deemed necessary when issuing the licence.

(c) Trust companies

Under Law No. 65 of 21 April 1922 concerning trust business, a trust company is required to deposit with the Government not less than one-tenth of its authorized capital but not exceeding one million yen in national loan bonds as security of indemnification for losses that may be suffered by beneficiaries on account of the trustee's negligence of duty.

(d) Insurance

The business of foreign insurance companies is governed by the law Concerning Foreign Insurers (Law No. 184 of 1 June 1949). Every foreign insurance company is required to obtain a licence from the Government. It has to furnish the following particulars when applying for the licence:

(i) The name of the country of its domicile, its name or trade name, location of its head office and date of its formation or of the commencement of business.

(ii) The kinds of life insurance business or of non-life insurance business which it proposes to carry on in Japan.

(iii) The name and address of its representative in Japan.

(iv) Articles of incorporation or documents of the like kind.

(v) Documents showing the method of business to be conducted in Japan.

(vi) General policy conditions of insurance to be used for insurance contracts to be concluded in Japan.

(vii) In case of a life insurer, documents showing the methods of calculating the premiums and reserve liabilities for insurance contracts to be concluded in Japan.

(viii) In case of a non-life insurer, documents showing the schedule of premium rates and the method of calculating unearned premium reserve for insurance contracts to be concluded in Japan.

(ix) The latest inventory, balance sheet and profit and loss account.

A foreign insurer is required, before commencing business in Japan, to deposit with the Government a sum of 10 million yen in cash or in government bonds or other approved securities. A further additional deposit may be required in particular cases, if considered necessary. Every foreign insurer is required to file with the Government an annual report of its business in Japan and the inventory, balance sheet and profit and loss account prepared annually by its head office. A foreign life insurer is required to hold in Japan in the form of assets an amount to be expressed in Japanese yen, a sum corresponding to the reserve liabilities in respect to those life insurance contracts in Japanese currency arising out of its life insurance contracts written in Japan. A foreign non-life insurer is required to hold in Japan in the form of assets an amount, to be expressed in Japanese yen, corresponding to the unearned portion of premiums, less reinsurance premiums, in respect of those non-life insurance contracts in Japanese currency arising out of its non-life insurance contracts written in Japan. A foreign insurer is also required to obtain the approval of the Government for writing insurance contracts for amounts in foreign currencies.

(e) Mining

Under the Japanese Mining Law, only Japanese nationals or juridical persons incorporated in Japan are entitled to acquire mining rights.

(f) Registration

Registration and/or licensing of foreign concerns are subject to the following laws:

(i) Power enterprise: Electric Enterprise Law, article 3.

(ii) Gas enterprise: Gas Enterprise Law, article 3.

(iii) Local railroad enterprise: Local Railroad Law, article 3.

(iv) Tramway enterprise: Tramway Law, article 3.

(v) Road transport enterprise: Road Transport Law, article 11.

(vi) Banking business: Banking Law, articles 2 and 30.

(vii) Insurance business: Insurance Business Law, article 1.

(viii) Trust business: Trust Business Law, article 1.

(ix) Mining business: Mining Business Law, article 21.

(x) Bond business: Bond Transaction Law, article 15.

Registration and licensing are also necessary for the brewery business and for the sale of certain types of controlled goods such as textile products, soap, rubber goods, charcoal, sugar, salt and other staple foodstuffs.

(g) Payment of dividends

The distribution of dividends is governed by the Law Concerning Temporary Measures, etc. Relative to the Distribution of Profits by Corporations. The object of the law is to ensure proper distribution of profits and to place the accounting of corporations on a sound basis to promote a healthy development of industries.

(h) Remittance of dividends, profits, etc.

All foreign exchange transactions are subject to government control. No policy has, however, yet been laid down regarding the remittance abroad of dividends, profits, interest and original capital investments, etc.

(i) Sale of securities to foreigners.

The sale to foreigners of stocks, shares or of an interest in the profits of an enterprise in Japan requires the validation of the Japanese Foreign Investment Commission.

4. Taxation

An extensive revision of the tax system is reported to be under contemplation. The rates of taxation in force during 1949 are given below:

(a) Income tax

Incomes are classified by amount as given below and the following rates are applied progressively:

Income (in yen)	Per cent
20,000 and less	20
More than 20,000	25
More than 40,000	30
More than 70,000	35
More than 100,000	40
More than 150,000	45
More than 200,000	50
More than 250,000	55
More than 300,000	60
More than 500,000	65
More than 700,000	70
More than 1,000,000	75
More than 2,000,000	80
More than 5,000,000	85

The highest rate of tax is limited to 80 per cent of the income. Separate tax rates are fixed for certain specific individual incomes.

In principle, this tax is levied only on the income of individuals, being levied on corporations simply in respect of the interest on deposits, profits accruing from trust and dividends for corporations.

(b) Corporation tax

The rates of corporation tax are classified as follows:

(i) Taxation on ordinary incomes for each business year: 35 per cent.

(ii) Taxation on excess incomes for each business year.

The excess incomes for each business year are classified by amount and the following progressive rates are applied:

(1) Normal income in excess of 30 per cent of the capital: 10 per cent.

(2) Normal income in excess of 50 per cent of the capital: 15 per cent.

(3) Normal income in excess of 100 per cent of the capital: 20 per cent.

(iii) Proceeds from liquidation:

The sum consisting of reserve funds and the incomes exempted from corporation tax: 20 per cent. Sums other than the above: 45 per cent.

(c) Double taxation relief

Firms incorporated in Japan are liable to taxation on their world income but firms incorporated abroad are liable to taxation only on their incomes in Japan.

Individuals who have their fixed abodes in Japan, or who are staying there for one year or more, are liable to taxation in respect of their world income. Of such individuals, however, those who are not Japanese nationals are not liable to taxation on their property abroad or the proceeds from their enterprises abroad. An individual who has no fixed abode in Japan and whose sojourn does not reach one year is liable, to a limited extent, to taxation only on his income in Japan.

(d) Discrimination against foreigners

There is no discrimination against foreigners in the matter of taxation.

Investors will wish to consult General Headquarters, Supreme Commander for the Allied Powers, Circular No. 11 dated 16 June 1950, on the subject. "Entry Requirements and Business Activities in Japan", sections VIII ("Foreign Business Activities") and IX ("Foreign Investment Activities") which constitute the over-all controlling regulations on these subjects in effect in Japan at present.

(To be continued)

SURVEY OF BURMA'S ORES AND MINERALS

As a small country Burma could not be expected to, and does not, possess mineral wealth comparable to that of such large countries as the United States, Canada and Russia. It is, nevertheless, relatively well endowed with mineral resources, which before the war contributed substantially to the earnings realised by Burma's export trade. Actual exports of minerals and mineral products (omitting such nonmetallic mineral products as salt, cement and building stone) in 1939-40 were as follows:

	Quantity		Value Rs.
Petroleum products	218,776,113	imp. gal.	143,554,000*
Lead	79,601	long tons	25,653,000
Zinc	34,473	" "	1,519,000
Copper	7,322	" "	2,051,000
Wolfram concentrates	12,145	" "	23,805,000
Tin concentrates	3,752	" "	7,935,000
Antimony ore	630	" "	120,000
Other ores & metals	1,492	" "	858,000
			Rs. 205,495,000

Value figure for petroleum products includes Rs. 26,026,000 worth of paraffin and candles not included under quantity.

Total exports of minerals and mineral products for 1939-40 as shown above represented approximately 38% of the value of Burma's total export trade for that year. Shipments of 6,194,151 ounces of silver bullion, valued at Rs. 7,123,000, have not been reckoned in this tabulation.

The country's petroleum extraction and refinery plant were almost completely demolished during the war; the damage to most of the metallic minerals properties was less severe. Both branches of the industry were, however, well on the way to recovery at the time of the outbreak of the current insurrection, early in 1949. These disturbances have unfortunately checked this trend and, in fact, have reduced output of all metallic minerals to negligible proportions. As a result the value of Burma's mineral exports had declined, in 1949-50, to a mere Rs. 13,785,000 or 2.1% of the country's total exports. No breakdown by individual minerals is as yet available for that year, but actual exports may be estimated very roughly as follows:

Petroleum products	nil	
Lead	3,500	long tons
Tin ore	1,000	
Wolfram ore	300	
All other ores	200	

While the above proportions may be considerably astray, it is clear that the country's total mineral exports for 1949-50 could not have exceeded 5,000 long tons by more than a very narrow margin. Even of this sharply reduced volume, the bulk was derived from stockpiles rather than from current production. Further, it must be borne in mind that the actual loss of income by reason of the near cessation of minerals output was much greater than either the value or percentage figures indicate, as prices of nearly all mineral products have soared during the last several years, and Burma's total exports have also dropped in terms of physical volume.

Although substantial areas of the country were recovered by the government during 1950, and organised military opposition has nearly vanished, the position affecting the minerals industry has so far shown little improvement and output remains at a negligible level. This is because most of the mines are located in country districts where government authority has been most difficult to reestablish. At the present time all important mines are still unable to resume operations for at least one of three reasons: (1) either they are still in rebel-held areas, or (2) they are in chronically disturbed districts, or (3) if in reasonably settled areas they are cut off from seaports by broken links in the transportation system.

The Petroleum Industry

Petroleum has been extracted by primitive methods in Upper Burma for centuries, but the modern petroleum industry was inaugurated with the organisation of the Burmah Oil Company (BOC) in 1886. Two smaller European companies, Indo-Burma Petroleum and British-Burmah Petroleum, and several locally owned companies, have also entered this industry, but BOC has enjoyed a near-monopoly on petroleum production in Burma. It has accordingly become not merely one of the principal foreign companies operating here, but one of the largest industrial organisations of any description, and this pre-eminence has made it a particular target of Burmese nationalists. Even after its wholesale discharge of employees during 1950 it remains the largest private employer of labour in the country.

The principal domestic oilfields are at Senangyaung and Chauk, both on the Irrawaddy River between Prome and Mandalay. Before the war roughly 90% of the country's total output came from these two fields. The principal refineries were in the vicinity of Rangoon, where BOC, Indo-Burma and British-Burmah had plants with capacities of 800,000 imperial gallons; 120,000 gallons, and 80,000 gallons daily, respectively. These plants were connected with the oilfields by a 320 mile BOC-owned pipeline. The bulk of Burma's exports of petroleum

products went to India, comprising about half the supply of that country.

The petroleum refineries were voluntarily demolished as denial measures, anticipatory to the Japanese invasion, early in 1942. The Japanese subsequently attempted to operate the petroleum properties, but Allied bombing held their yield to a very low level. Total war damage to the oil companies' properties was estimated at Rs. 530,000,000 (£40,000,000). Partial compensation was eventually received from the British government for this damage, to the extent of £10,000,000 for all the oil companies, including £4,500,000 for BOC.

After the war the three leading European companies pooled their production and refinery capacity in the following proportions:

	Per cent
Burmah Oil Company	76.8
Indo-Burma Petroleum	17.0
British Burma Petroleum	6.2

and have since been operating in a "condominium," of which BOC is naturally the dominating partner. Marketing is still carried on individually.

BOC prepared extensive plans for the post-war rehabilitation of its properties, including the construction of a new joint refinery at Syriam across the river from Rangoon. Production was resumed in January, 1947 and by the outbreak of the insurrection the Chauk field had been very largely reconditioned, a topping plant established there, and the pipeline partly restored. Very little had been accomplished at Yenangyaung, however, and the refinery project at Syriam was only beginning to get underway.

The insurrection naturally thwarted the rehabilitaton programme. As it has been impossible to restore or maintain the pipeline there has been no justification for proceeding with the Syriam refinery project, and this has been dropped, apparently indefinitely. It was also impossible during the height of the insurrection to distribute refined products by river between Prome and Mandalay, so that until recently even the full capacity of the Chauk plant was not called for. Both Chauk and Yenangyaung, have suffered from rebel attacks and disturbances leading to the abandonment of the latter field in July, 1949. Under these circumstances many BOC employees became redundant, and some 1,800 were dismissed at Yenangyaung in July, 1949, 2,400 at Chauk in January, 1950, and 2,800 at Syriam in October, 1950. (The company carried most of these excess employees deliberately, until withdrawal of a British government guarantee against loss on this account, in December, 1949). A lawsuit arising out of these dismissals was filed against BOC early in 1950 and remained pending during most of the year; the company was finally upheld in its right to discharge redundant employees, but was required to pay heavy costs for back wages and allowances on the grounds that dismissal should not have occurred while the case was under consideration.

Some improvement in the domestic petroleum picture has occurred since mid-1950. With the improvement in conditions of civil control along Irrawaddy it has been possible to distribute refined products more freely between Prome and Mandalay, and consequently to lift the output of the Chauk refinery to capacity, about 1800 barrels per day. This has recently reached, according to a BOC announcement, the level of 44 per cent of Burma's domestic requirements. A scheme is now in process for the approximate doubling of the refinery capacity at Chauk, and should be completed in about a year. The output at Chauk consists chiefly of motor spirit, kerosene and diesel oil; no aviation spirit or lubricating oil is refined in Burma, which remains entirely dependent upon imports for these products. It is believed that only transportation rates limit the area of BOC's economic distribution to Prome on the south, and with an adjustment of IWT freight rates it should be possible to expand the area of Burma's self-sufficiency as the expanded refinery at Chauk comes into operation.

The following table shows the effect of the war and of the insurrection upon Burma's total crude oil output:

1941		270,898,000 imperial gals.
1946		514,000
1947		2,997,000
1948		11,533,000
1949	about	11,000,000
1950	about	16,000,000
Present annual capacity of the Chauk refinery,	about	30,000,000

A current development affecting BOC is the revival of negotiation looking towards the establishment of a "joint venture," or the direct participation of the Burmese government in the company's undertakings. While announcement has just been made that the British government has declined to advance Burma the sum necessary for this investment, it is taken for granted that some formula will be discovered which will provide for the entry of the Burmese government as a "partner" of BOC, with about one third ownership of the domestic properties of that company.

Metallic Minerals

Although Burma is not among the world's principal mineral producing countries, at least two of its mines, on the basis of pre-war output, hold positions of world-wide distinction. These are the Bawdwin Mine, in the Northern Shan States, believed to be the world's largest lead mine, as well as one of the leading silver mines; and the Mawchi Mine, in Karenni State, the first-ranking tungsten and third tin mine in the world.

The Bawdwin Mine was worked by the Chinese between the Fourteenth Century and 1868 for silver alone, the residue rich in lead and zinc being cast aside as slag. These slag piles attracted the notice of modern engineers and the mine was rediscovered at the beginning of the present century, the Rangoon contractor A. C. Martin and the American engineer Her-

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bert Hoover each having a part in its development and in the formation of the Burma Corporation, which now owns this mine and the related smelters and ore-dressing plant at Namtu. Large-scale exploitation became possible only after completion of the Burma Railways Lashio branch in 1903 and of the Burma Corporation's 50-mile connecting two-foot gauge railway.

The ore body at Bawdwin is in the centre of a large hill, and is entered by a 7,000 foot tunnel equipped with a double-track electric railway; inside the body are 15 levels. The mine's total reserves as of 1941 were estimated at 3,130,199 long tons, with lead content of 19.5%, zinc 12.1% and copper 0.8%, plus 15.1 ounces of silver per ton. As production during the year ended 30th June 1938 was 472,802 tons of ore, it would appear that the mine will be depleted in eight more years' of operation at that level, although, of course, additional reserves may be discovered. Prewar capacity of the treating plant at Namtu was 800 tons a day, and the refined lead was brought to a state of 99.99% purity.

During the war the lower five levels of the mine were flooded and the ore-treating plant was damaged, but destruction was much less extensive than in the case of the petroleum industry. Post-war production was resumed in 1948, but within a few months was interrupted by the insurrection, and the mine has been idle ever since, aside from limited shipments from its stock-pile. The area in which the mine is located has been relatively free from civil disturbances, but operation has been made impossible by the breakdown of railway transportation. As of the present time the situation affecting reopening of the mine looks brighter than for many months past, as one of the broken rail links, the Gokteik Viaduct, has just been reopened, and there are some indications that the gap in the Mandalay railway line north of Pyinmana may also soon be restored. Before it can resume normal operations, however, the Burma Corporation will have to overcome a considerable problem of the reassembly of both a labour force and technical staff.

The Burma Corporation has been primarily a British organization, although one third of its shares (without voting rights) have been held by Americans. Negotiations for the establishment of a "joint venture," or participation of the Burmese government in this undertaking, are in process, and the government has already made an initial payment of Rs. 8,000,000.

The Mawchi Mine (operating under the corporate name of the Mawchi Mines, Ltd.), formerly the world's largest tin mine, produced in 1938 4,646 tons of mixed tin and wolfram concentrates, from which 1,784 tons of tin and 1,494 tons of Wolfram were extracted. Despite depletion known reserves were increasing steadily before the war, and amounted to 712,540 tons with a metallic content of 3.02 per cent, at the end of 1938. The company also obtained some additional ore by purchase from local "tributors."

Mawchi has been a relatively remote and primitive area, and until 1938 the ore was shipped by mule transport and the Salween River over a round-about route to Moulmein. In that year a 93 mile company-owned road was opened between Mawchi and the railway at Toungoo. The mine was reopened after the war, but was forced to suspend operations in May, 1949, by insurgent activities, and has remained closed ever since. The area in which the mine is located is still held by the KNDO's, and the management have, in fact, been nearly cut off from all communication with their properties, although the manager in Burma was finally able to reach the mine in May of this year. A renewed attempt by the government to recapture this area after the end of the present monsoon is expected.

A third rich mineral-bearing area is the Tavoy District In Tenasserim. On the basis of prewar output this district is approximately as rich as Mawchi in tin and about twice as rich in tungsten, but this production was divided among some dozen individual properties, most of them British-owned. Chief among these was the Hermyingyi Mine (Consolidated Tin Mines, Ltd.,) with estimated reserves at the end of 1936 of 88,953 tons of ore of 1.19% metallic content. Hermingyi is the only underground mine in this district, most other properties being operated by dredging or sluicing. There are several small concentration plants at Tavoy.

Mining operations in Tavoy District are almost at a standstill at present. The companies' managerial staffs were expelled by the Communists in January, 1950; in the latter part of the year the government recaptured part of the area and an attempt was made to restore normal operations, but a series of attacks and murders ensued, and the government forces, along with all mining officials, were forced to withdraw again into the town of Tavoy. Many of the mines are now apparently being operated by the Communists or by villagers, and some of the ore is being sold, through a series of intermediaries, back to the companies, but this is a mere trickle as compared with normal production.

Besides the principal mineral properties described above, there are other mineral deposits, including antimony, manganese, mica, sulphur and zinc, in addition to lead, tungsten and silver, widely scattered over Burma. Most of these deposits have not so far been considered rich enough for large-scale working, but mineral surveys of the country are by no means completed, and differing conclusions may be found to be justified. Further, the rising prices for most minerals have brought certain large deposits that were considered uneconomical in the 1930's within the ambit of practicable operation. Thus a number of smaller lead mines in the Southern Shan States, around Taunggyi, have recently come into operation, and it has been stated on good authority that there is an almost limitless supply of lead in this area of a richness exceeding that of Bawdwin. Develop-

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ment of mines in this area must await, however, the improvement of transportation facilities, as present transportation costs are excessive. Some mines must, for example, transport their ore for distances up to 40 miles by mule-back (capacity of each mule about 200 lbs.) at a cost up Rs. 200 per ton. (The trucking of the ore around the Pyinmana rail gap creates an additional expense of Rs. 50 per ton). Under these conditions large-scale operation can hardly be profitable, and lead ore of a purity less than 40 per cent is, in fact, usually discarded as uneconomical. Another need is for the establishment of smelters in the Taunggyi area, which would also serve to reduce transportation costs.

Low-grade iron ore is of common occurrence throughout Burma, but nowhere exists in a quality that would justify commercial mining.

Coal

A lignitic coal of a low calorific power is also widespread in Burma but, aside from a few abortive attempts, has never been mined commercially. Thus, the country remains dependent upon India for its entire supply of coal, and transportation difficulties severely limit the availability of this fuel here. Most railway locomotives in Burma, for example, are wood-burning. One of the richest coal seams so far discovered is at Kalewa, on the Upper Chindwin, and investigations looking towards the possible commercial development of this deposit are now in process.

BURMA'S COAL MINING INDUSTRY

With the exception of a small output for a very limited period from the Namma area in the Northern Shan States and from the Kabwet coalfield in the Shwebo district, there has never been any production of coal in Burma. All coal used in Burma has been imported, chiefly from India. The average annual import of coal and coke into Burma before the war (from 1937 to 1941) was 366,315 long tons valued at Rs. 6,552,347 at an average cost of approximately Rs. 18 per ton. At present the price of imported coal is over Rs. 60 per ton f.o.b. Rangoon. Taking 300,000 tons of coal as the minimum annual requirement for Burma, 18 million rupees have to be paid annually for imported coal. Recent information from India indicates that a surcharge of Rs. 11 per ton will in future be imposed on all coal exported from India. This means that Burma will have to pay even more for Indian coal. The need for the establishment of an indigenous coal industry is therefore obvious.

Realizing the seriousness of the situation, the Government of Burma has given thought to the possible development of the Kalewa Coalfield. It was one of the projects listed in the Two-Year Plan of Economic Development for Burma. As a result of the insurgent activities, the progress made, however, has been slow.

The coalfield under consideration is situated at Thitchauk, a small village on the north bank of the Myittha River, at a distance about five miles due west of the town of Kalewa. The field is on the west flank of the Kale Tung Range running both north and south of the Myittha River which flows here from east to west, joining the Upper Chindwin River at Kalewa.

The exploration shaft, which can be used as a population shaft when the mine comes into operation, is about 300 feet above the Myittha River level, and is about one mile north of Thitchauk. A conveyor belt can be easily established to transport coal to, and necessary materials from, the nearest river bank. From there, specially constructed shallow draft barges will be used for river transportation all the way from the Myittha River via Upper Chindwin, then down the Irrawaddy to Rangoon. Alternatively, the coal can be shipped by barges to Alon R. S. or Monywa which is about 140 miles south of Kalewa, then by rail to Mandalay and Rangoon. There is no difficulty in shipping coal out of, and bringing equipment into, the coalfield.

At a later stage, when the field is able to produce a more substantial amount of coal (original target is for 300 tons per day and eventually 1000 tons), the possibility of establishing a branch line from Monywa or Alon K.S. to the field may be considered, but at present this is not absolutely necessary.

The Coal Seams

The coalfield forms a small part of a large coal-bearing formation which extends in a North-South direction for several miles. The coal bearing series is composed of shales with courses of sandstones and siderite beds. It is underlaid by grey sandstones and overlaid by grey sandstones with a red conglomerate bed between the shales and the latter. A good exposure showing the 9 foot main seam with associated beds is seen along the southern bank of the Myittha River opposite Thitchank.

The regional structure of the area is very consistent. All the beds are dipping about 40 degrees toward the east, with a strike direction approximately running north and south. This consistency of the structure is an advantage of this coalfield as the coal seams can be expected to extend in great distance along both the dip and the strike directions. It is true that the thickness of coal seams is rarely consistent throughout. It was also noticed that, in certain exposed areas, the gradation between the carbonaceous shale and the thin coal seams is gradual, and sometimes it is difficult to draw a clear distinction between the two. Nevertheless, the main seams appear to be persistent along the strike and it is expected that they will behave the same way for a considerable distance along the dip.

Coal Reserves

For a low-grade coal, such as we are dealing with in this field, seams under 3 feet in thickness cannot be considered workable, at least under present conditions. Therefore, although some previous workers have mentioned 40 seams with a total thickness of 80 feet, it is only of theoretical but not of practical importance.

Taking the average thickness of the three main seams as 4 ft, 10 ft. and 6 ft. respectively, and for a longitudinal distance of 1 mile with 30 cubic feet to a ton of coal, about 1.8 million tons of coal are available to 500 feet depth along the dip, and double the amount if extending to 1000 feet.

20' x 5280' x 500'/30 ..... 1,760,000 tons
20' x 5280' x 1000'/30 ..... 3,540,000 tons

No particular importance should be attached to these figures, however, as it is evident that the coalfield extends in a north-south direction for much further than one mile. Suffice it to say now that, so far as reserves are concerned, there is enough coal to last for years to come even if daily production reaches 1,000 tons a day.

As soon as the coal comes from the present shaft, it should be sent immediately to a reputable laboratory for thorough testing and experimenting. The Fuel Research Institute of Japan seems to be the most favourable place, as Japanese coal are all lignitic and the Institute has considerable experience in this kind of work. From the outside appearance, the coal is highly laminated and of a brilliant black colour. In the 10 feet main seam, there are no partings, but in other seams partings occur frequently, the existence of which lower the commerical value of the seams.

The question of the quality of the coal, whether it can be used without processing, or with processing to be a high

grade coal, is not a matter of argument. The only practical approach to the problem is to get the coal tested thoroughly. The analysis of the coal from the three main seams is reported as follows:—

	4ft.	10ft.	7ft.
Moisture	8.8	12.61	8.83
Volatile Matter	41.03	32.55	36.62
Mixed Carbon	47.1	51.70	51.40
Ash	2.9	3.00	3.00
Sulphur	0.17	0.14	0.15

All the samples previously tested have come from the surface or from fairly close to the surface. It is possible that coal will be better at a depth below the probable zone of weathering. The coal has not been fractured by shearing forces of greater intensity than that due to "creep"; a firm coal below the zone of weathering may be expected. It is with this in mind that the shaft is going to be sunk down to 500 feet depth.

The Existence or Iron Ore

The existence of siderite beds adds to the commercial value of the field, and is worthly of particular mention. There is a large number of siderite beds associated in the coal series, but most of these beds are too thin to be considered workable. A few beds, however, do reach a thickness of 3 feet. As Burma has very little iron ore production at present, any tonnage that could be extracted in this field will be of immediate interest. With all facilities available when the coal mine starts operation, not much additional cost will be involved.

In some of the industrialised countries in the west, especially in the United States of America, the pillar system for coal mining is preferred for its high degree of safety regardless of its low rate of yield. By the pillar system also complete mechanisation of pit working can be realised. In many coalfields of the region, however, on account of thin seams and high inclination, coal mines have to depend on the long wall system which has a high rate of actual production. The present tendency is to use steel pillar instead of wood pillar, but considering the fact that the Kalewa Coalfield is located in the timber-producing district, wood pillar may be still used in Burma for economic reasons.

The opening of the first coal mine in the history of Burma will absorb local people into the industry, give them employment and thus increase the prosperity and stability of the country. Technicians and skilled labours will be trained through the course of operation. To those Burmese technicians who already have good academic training but lack practical mining experience, the operation will give confidence. These are some of the several advantages which cannot be valued at present in terms of rupees

PRESENT METHODS AND PROSPECTS FOR FUTURE FARMING IN BURMA'S SHAN STATE

By Otto K. Hunerwadel

As one would naturally expect from a region of such varied terrain, altitude and soil types, there are many different crops grown in the Shan State—rice, potatoes, peanuts, sesamum, wheat, tea, coffee, pulses, tobacco, sugar cane, maize, opium, and many varieties of fruits and vegetables. In fact, almost all kinds of field crops, vegetables and fruits could be grown somewhere in the area. For this reason the region is of great agricultural importance to Burma—not only for what it is producing, but for what it could produce if more modern and scientific agricultural practices were employed, and if more acreage were planted to crops of real economic value to the country as a whole. Since rice is Burma's "Staff of Life", any area particularly suited for rice should produce it. And it should be cultivated in the most scientific way practicable for the area, so as to increase the yield. But rice is not the only agricultural product needed in Burma. While it is important to have a large surplus of rice for exporting, it is also important to produce enough of the other crops needed in the country. This would not only save the costs involved in importing them, but would improve the lot of the individual farmer as well.

The Shan State does not even produce enough rice for its own use. But so much of the land is suitable for other crops, great quantities of which are at present being imported into Burma. Some of these crops are wheat, onions, garlic, chili, tobacco, sesamum and peanuts. This condition presents a challenge to all who are endeavouring to bring about an improvement in Burma's agricultural economy. It is up to the leaders to find a way to sell the cultivators on the idea of growing more of these crops, and to help them get better yields by using more improved methods of farming. There is plenty of good land and there are plenty of people to farm it.

Wheat Situation

Let us consider the wheat situation. The demand for wheat flour in Burma is steadily growing, and while many areas of the Shan States are especially suitable for its growth, there is not sufficient acreage sown to produce the country's requirements. Yields are low due to poor farm practices, and primitive harvesting methods which often result in damaged and unsanitary grain. Storage facilities are poor too, causing further inferiority.

On the experimental farms connected with the Agricultural Teacher's Training School in Taunggyi in 1950, we attempted to show that with improved methods of growing wheat, better quality and better yield would result. But we went even further than that. We treated the wheat for all but one small experimental plot with mercurial seed dressing. The wheat on the untreated plot as a result of the better cultivation methods, showed a better stand, growth and yield than the crop produced there the previous year, but was not even one-third as good as the rest of the wheat from the treated seed. In fact, according to former managers of the farm, the 1951 yield far surpassed that of any previous year, though the farm has been an experimental centre for many years.

We are advising the importing of small, easily transported threshing machines which are especially suitable for the small acreages of grains grown by the cultivators of the Shan States. These will replace, wherever possible, the primitive methods of beating the grain out by hand or driving bullocks over the wheat to thresh out the grain. We hope also to encourage the replacing of leaky, rat infested storage godowns with ones of better construction.

Just as is the case with wheat, improvements need to be made in the methods employed in growing other crops, and acreages increased.

Potato Production

About the only farm crop of which sufficient quantities are raised in the Shan State is Irish potatoes. Much of this crop is shipped to other parts of Burma and even to India although that particular market has waned because India has increased her own potato production. Still, even in potato culture, there is room for improvement because much needless time is wasted and fertilizer value lost by the present methods of cultivation.

Farm practices in Burma, as in most countries, have been handed down from generation to generation. They are as much a part of the people as their different tribal costumes, to which they cling with great tenacity. The fact that there is a serious lack of education among the farm people intensifies this difficulty. But there are always some who can be appealed to and gradually these few influence others. "Pyay-byay" meaning "very slowly" is a frequently used and practiced expression in Burma. By example, by demonstration, by encouragement and patience but with determination and effort, the local leaders and the technical advisors, whether "brought in" or indigenous, can help improve—"Pyay-byay"—the agricultural economy of the country.

FAR EASTERN COMMERCIAL & FINANCIAL REPORTS

HONGKONG'S TRADE WITH SOUTH CHINA PORTS

Direct trade has now been permitted by the South China Foreign Trade Control Bureau between Hongkong and Macao and the following ports in South China; Wuchow, Kongmoon, Shekki, Kwangchowan, Hoihow and Swatow. As from Jan. 1, the restrictions have been lifted under which trade between these ports and HK had first to be approved by the Foreign Trade Control Bureau in Canton, and all exports from these ports had to pass through Canton. The trade will continue on a barter basis, and will still be subject to prior approval from the S. China authorities.

CANTON'S CHANGEOVER FROM TRADE TO PRODUCTION

The South China authorities are continuing their policy, commenced last October, of compelling merchants to alter from trading to productive enterprises. The number of concerns now ordered to effect this changeover has been increased from 18 to 24, and conversion is expected to be complete by next June.

In the meantime, concerns such as industrial chemicals or metals are being formed into joint trading groups under state supervision, and from each group only one or two representatives are sent to Hongkong to make the requisite purchases; the idea being to eliminate competitive buying.

In some cases, with a view to obviating losses that might otherwise be incurred through too rapid conversion to production, the authorities have delayed action to a certain extent. In Wuchow, for example, where firewood and coal dealers are being transformed into small factories, a joint trading concern has been organised, pending the transfer, to handle exports of firewood to HK and Macao. When the conversion has been carried through, trading will be under the management of a joint purchasing-joint marketing organisation under state supervision, on the lines of those already in existence for certain other commodities.

This is regarded as the first step towards nationalisation. Already, in various ways the private merchant is feeling the effects of discrimination. When applying for a foreign exchange allocation, he finds himself placed low down on the list. Joint trading groups operated by private concerns are not granted the facilities in obtaining foreign exchange enjoyed by state-operated concerns: their applications are only dealt with after those submitted by these concerns, as well as those from factories engaged in productive enterprise and which are considered essential to the economic structure of the country.

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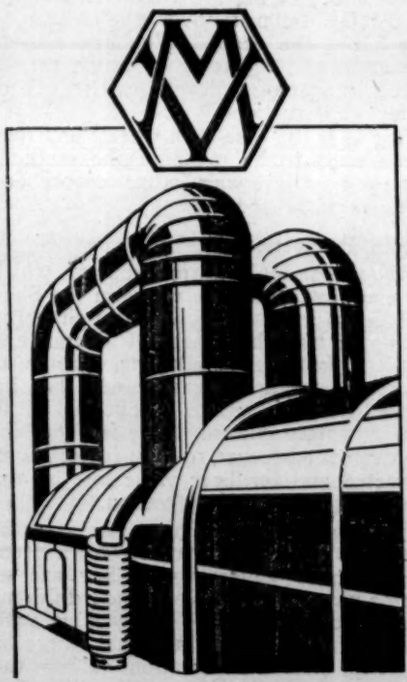

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SOUTH KOREAN INDUSTRIES

According to figures issued by the South Korean Ministry of Commerce & Industry, 2525 factories are now operating in South Korea or about 50% of the pre-war number. These factories include 870 for textiles, 490 for machinery & metals, and 92 for the production of chemicals.

At present South Korea's trade with Hongkong is confined mainly to exports. For the Jan.-Nov. period of 1951 exports from the Colony to South Korea amounted to only HK$3.71 million, while imports from Korea totalled over $20.60 million.

Exports from South Korea are limited by the prohibitions imposed, for instance. upon the export of certain foodstuffs such as marine products, formerly one of the staple products for export from that country. On the list of restricted exports are silk and silk waste, as well as tungsten and other minerals.

THAI RICE CROP FOR 1951/52

The Thai Ministry of Agriculture has placed the most recent estimate of the 1951/52 rice crop at about 3.6 million tons. Around 2.5 m. tons of this quantity will be set aside for local consumption, leaving a balance for export of about 1.1 m. tons.

The estimate is based upon the season's growth of 6.3 m. tons of padi. Of this 518,000 tons will be needed for seed and about 125,000 tons for animal food and allowing for destruction by pests.

Out of 800,000 tons of rice set aside for sale to importing countries up to mid-Sept. of this year, the Thai Govt. has decided to allocate 295,000 tons to British territories, in place of the 475,000 tons originally asked for in respect of the year 1952. However, negotiations for an additional quantity will take place in August.

INSURANCE RATES TO SOUTH CHINA PORTS

New rates have been announced by the Institute of London Underwriters in respect to war, strikes and riot shipping risk where certain China ports are concerned.

Voyages between Canton and ports to the south of that city, excluding Formosa, Hongkong, Kowloon, Macao, but including Hainan Island, are rated at £2 per £100 instead of £3 per £100. This rate covers imports, exports and local voyages.

The rate on imports and local voyages for Canton to and from Hongkong, Kowloon or Macao is reduced by 50% from £3 to £1.5 per £100.

The two following rates have been added to the China imports & local voyages section: (a) Vessels (excluding chartered vessels) loading and commencing their voyages from Hongkong and sailing for ports in China north of the island are rated at £3 per £100. (b) Other vessels sailing for ports north of Canton up to and including Manchuria (including Port Arthur and Dairen) are rated at £10 per £100.

INDONESIAN CURRENCY DEVALUATION

With a view to stimulating foreign trade, the Indonesian Govt. has fixed the following rates for the rupiah, taking effect as from Feb. 4—US$: Rupiah 11.40; £ sterling: Rupiah 31.7; Dutch Guilder: Rupiah 3.3; Straits Dollar: Rupiah 3.75. (Former value for the rupiah US 26 cents, present value 8.6 cents).

INDONESIAN EXPORT DUTIES

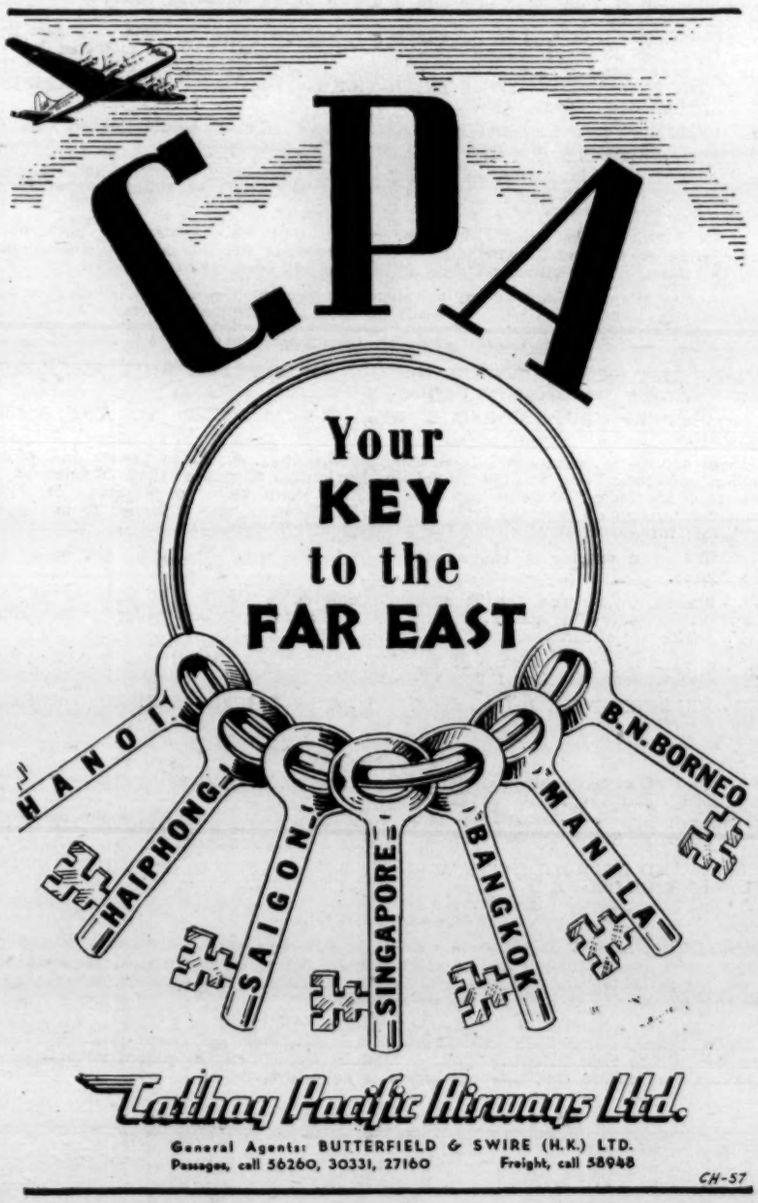
An emergency law has been passed by the Indonesian Govt. in connection with the abolition of the foreign exchange certificate system, increasing the export duties as from Feb. 4. A duty of 25% will be levied upon rubber articles, and later upon copra, palmoil, pepper and coffee, and a duty of 15% upon all other commodities.

MUTUAL SECURITY AGENCY ALLOCATIONS TO FAR EAST

Allocations by the Mutual Security Agency to the six countries included in its Far Eastern aid programme amount to US$129.5 million for the first 9 months of the current fiscal year. This includes $43.7 million allotted for the 3 months ending March 31, 1952:—

	(US$ million) Jan.-Mar. 1952	July 1951 to Mar. 1952
Formosa	20.8	71.0
Philippines	7.9	20.0
Indochina	5.4	18.2
Burma	4.0	9.2
Indonesia	3.9	6.0
Thailand	1.7	5.1

These allocations are used by the nations concerned as the basis for submitting requests for MSA authorisations to purchase essential commodities and services in dollar areas. They are also drawn upon in connection with the sending of US experts to the Far East or for expenses incurred by specialists sent to the US to study technical methods under the MSA technical assistance programme.



THE HONG KONG JOCKEY CLUB

FOURTH RACE MEETING

Saturday, 16th February, 1952

(Held under the Rules of the Hong Kong Jockey Club).

There are 9 races. The First Bell will be rung at 1.30 p.m. and the First Race will be run at 2.00 p.m.

Through Tickets (9 Races—$18.00) may be obtained at the Compradore Office of the Treasurers, 1st Floor, Telephone House, also tickets for the Special Cash Sweep on the "Pearce Memorial Cup" scheduled to be run on 16th February, 1952.

Through Tickets reserved for this Meeting but not paid for by 10.00 a.m. on Friday, 15th February, will be sold and the reservation cancelled for future meetings.

THERE WILL BE NO SPECIAL CASH SWEEP ON THE LAST RACE.

To avoid congestion at the Club's Office at Telephone House, non-members are requested to purchase their sweep tickets at the Club's Branch Offices at:—

5 D'Aguilar Street, Hong Kong

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The attention of Totalisator Investors is drawn to the following rules:—

Dividends will be paid on the winning and placed ponies so declared by the Stewards when the "All Clear" is given. The "All Clear" signal will be indicated by a white light and/or a white sphere at the Totalisator Tower. BACKERS ARE ADVISED NOT TO DESTROY OR THROW AWAY THEIR TICKETS UNTIL AFTER THE "ALL CLEAR" SIGNAL HAS BEEN EXHIBITED.

Totalisator Tickets should be examined and checked before leaving the Selling Counters as mistakes of any description cannot be rectified later.

Cash received in respect of Dividends should be checked before leaving the Pay-Out Counters as no claim for short payment of the value of tickets presented can be entertained once Investors have left the Counters.

All winning tickets and tickets for refunds must be presented for payment at the Race Course on the day to which they refer, but none will be paid later than one hour after the time for which the last race of the day has been scheduled to be run.

In no circumstances will any Dividends be paid or refunds made unless a ticket is produced. Payment WILL NOT be made on torn or disfigured tickets.

MEMBERS' BADGES AND ENCLOSURE

Members and guests are reminded that they and their ladies MUST wear their badges prominently displayed throughout the Meeting.

NO ONE WITHOUT A BADGE WILL BE ADMITTED TO THE MEMBERS' ENCLOSURE.

Badges admitting ladies not in possession of Brooches or Season tickets and gentlemen, non-members of the Club, to the Members Enclosure and the Club Rooms at $10.00 including tax, for ladies or gentlemen are obtainable through the Secretary at Telephone House, on the written or personal introduction of a Member, such member to be responsible for all visitors introduced by him, and for payment of all chits, etc.

Only a limited number of badges admitting to Members' Enclosure will be on sale at the Race Course.

The Branch Offices and the Treasurers' Compradore Office will close at 11.00 a.m. and the Secretary's Office at 11.45 a.m. The Treasurers' Compradore Office and the Secretary's Office are situated at 1st Floor, Telephone House.

A limited number of tiffins will be obtainable at the Club House provided they are ordered in advance from the No. 1 Boy (Tel. 27818).

NO CHILDREN WILL BE ADMITTED TO THE CLUB'S PREMISES DURING THE MEETING.

PUBLIC ENCLOSURE

The price of admission to the Public Enclosure is $3.00 including tax for all persons including ladies, and is payable at the Gate.

BOOKMAKERS, TIC TAC MEN ETC., WILL NOT BE PERMITTED TO OPERATE WITHIN THE PRECINCTS OF THE HONG KONG JOCKEY CLUB.

MEALS AND REFRESHMENTS WILL BE OBTAINABLE IN THE RESTAURANT IN THE PUBLIC ENCLOSURE.

SERVANTS' PASSES

Servants' passes will be issued to private box holders only, who are requested to distribute them with discrimination and to endorse their names on the passes. Holders of such passes are not permitted in the Members' Enclosure except for passing through on their duties and must remain in their employers' stands.

Owing to the congestion in the Members' Betting Hall and at Booths adjacent to Boxes in the Coffee Room, Box-holders and Members are requested to ensure that their servants make use **only of the Public Betting Hall.** Military Police will be posted at various points in the enclosure to ensure that this regulation is adhered to.

By Order,
H. MISA,
Secretary.

FOREIGN EXCHANGE HOLDINGS IN JAPAN FOR 1951

The Japanese Foreign Exchange Control Board and the Bank of Japan have estimated that Japan's foreign exchange holdings at the end of 1951 totalled around US$900 million as compared with $555 m. at the end of 1950.

As of Dec. 20 1951 foreign exchange holdings totalled $874 m., composed of $570 m. in US dollars, $190 m. in pounds sterling (£68 m.), and $114 m. in US dollars payable by open-account nations.

JAPAN'S TRADE WITH SOUTH EAST ASIA IN 1951

Japan's trade with South East Asia during 1951 has been summarised as follows. (Exports are from Japan; imports into Japan): **Burma:** Exports US$16.26 million; imports $17.74 m. **Hongkong:** Exports $53.13 m.; imports $38.5 m. **India:** Exports $20.3 m. **Indonesia:** Exports $46.27 m.; imports $13 m. **Fed. of Malaya:** Exports $18 m.; imports $39.4 m. **Pakistan:** Total trade each way $97.5 m. **Philippines:** Exports around $18 m.; imports $22 m. **Thailand** Exports $4.26 m.; imports around $5 m.

JAPANESE EXPORTS IN 1951

According to figures issued by the Ministry of International Trade & Industry, Japanese exports during the last calendar year were 80% higher than those for the previous year, i.e., US$1,408,932,000 as against $783,476,000. Exports for April-Dec. 1951 were $1,051,000,000.

Exports have increased since last October when the Anglo-Japanese overall payment was concluded.

During the calendar year exports of iron & steel reached an amount of $242 million (previous year $94 m.), while machinery reached $117 m. ($73 m.).

Exports to the sterling area totalled $611 m., or 43% of the total exports and 2.7 times as much as exports in the previous year. Exports to the open-account area amounted to $483 m., or an increase of 2.2 times. Those to the dollar area totalled $314 m., or a decrease of $29 m.

JAPAN'S PRODUCTION OF CHEMICAL FIBRES IN 1951

The following are details of the production of chemical fibres in Japan as issued by the Chemical Fibre Association in Tokyo. Rayon Yarn output amounted to 137,937,474 lbs. and Staple Fibre to 203,824,429 lbs., or increases respectively of 30% and 50% above 1950. Production of Polyvinyl Synthetic Fibre (Vinylon) reached 6,001,000 lbs., and of Polyamide Synthetic Fibre (Amilan) 1,019,000 lbs., compared with 775,000 lbs. and 219,000 lbs. for 1950 respectively.

新華信託儲蓄商業銀行

SIN HUA Trust, Savings & Commercial Bank, Ltd.

(Incorporated in China, 1914)

Hongkong Branch: Marina House

Tel: 32111, 31221—31222.

SINGAPORE SHARE MARKET

As was to be expected, the Chinese New Year festivities interfered with dealings on the share market. Most transactions were in Tins where profit taking continued and brought a general easing. Industrials had fair turnover at steady prices, but Rubbers had only small exchanges at weakening rates.

Malaya awaited full details of Mr. Churchill's Tin deal but had a practical demonstration in the rise of local tin market to $493.3/8 that 118 U.S. cents (say $477⅝ per picul) was not to provide a ceiling. Recent fluctuations of the Tin market also indicate there is no great keenness to buy above the equivalent of £1,000 per ton.

The bulk sale of Rubber stocks by Britain to the United States caused no panic in the local rubber market where the logical view was expressed that these stocks would have to be replaced in due course from Malayan sources. Nor was there much apprehension in local commercial circles of increased restrictions being inflicted on Malaya as a result of the Commonwealth Finance Conference. It is believed that Malaya, long inured to the surrender of her U.S. Dollar earnings, will be given every encouragement to expand production and will not be further curtailed in acquiring supplies deemed necessary to the Malayan consumer and the entrepot trader.

In Dollar Tins Petaling are in keen demand as the date for the usual declaration of final dividend approaches. Their price rose to $7.65 before sellers appeared and brought the market back to $7.55 at the close and London which for long has been a main source of supply could sell only small quantities. Sungei Way showed increased activity in the awareness that the New No. 1A dredge is shortly scheduled to add its production to that of No. 2 dredge which since the war has provided all the output. The rehabilitated No. 3 dredge is also due to produce about the middle of the year.

In Australians Austral Amalgamated had fair exchanges at the lower levels reached last week and there was some activity in its parent Company when local operators learnt from Australian press sources that Austral Malay contemplated an extension of operations in a Tin-Scheelite project in Tasmania. So far as we are aware local shareholders have not been informed of this intention even though the Company has a Malayan registration.

Practically the only active counter among sterling Tins was Ampat which had exchanges down to 8/3.

In the Rubber section Kempas had buyers to $2.85 on rumours following the closure of books that a capital issue was in prospect.

Local Loans, except for a few short term issues, continued all sellers.

Business Done. 26th January to 1st February.

Industrials. Fraser & Neave $4.25 and $4.20, Hammer $41.00, Malayan Breweries $5.40, Malayan Collieries $1.97½ and $1.95, McAlister $42.50 to $43.00, Robinson Ord. $4.00, Robinson 1st Pref. $6.10, Singapore Cold Storage $5.15 to $5.12½, Straits Steamship $25.25 to $25.00, Straits Times $4.00, Union Insurance of Canton $420.00, Wearne $5.45.

Tins. Hong Fatt $1.35 and $1.37½, Petaling $7.57½ to $7.65 to $7.55, Rantau $4.04, Sungei Way $4.05, Taiping $2.00 to $1.90.

Austral Amalgamated 16/- to 15/9 c.d., Jelapang 41/9 and 41/6, Katu 22/3, Larut 17/6, Lower Perak 14/-, Pungah 24/6, Rawang Concession 54/9, Rawang Tinfield 11/9, Renong Consolidated 21/6, Takuapa 26/3, Tongkah Harbour 14/3, Burma Malay 22/3.

Ampat 8/4½, Ayer Hitam 29/9 and 29/6, Chenderiang 13/10½, Kent 6/- and 6/6.

Gold. Raub $3.35 to $3.60, Western Holdings Convertible Certificates 101¼ and 101½.

Rubbers. Connemara $1.52½, Glenealy $1.95, Kempas $2.85, Kundong $2.22½, Lunas $3.05 and $3.00 c.d., Pajam $1.60, Sedenak 23/9, Temerloh $1.10, Ulu Benut 0.60 cents.

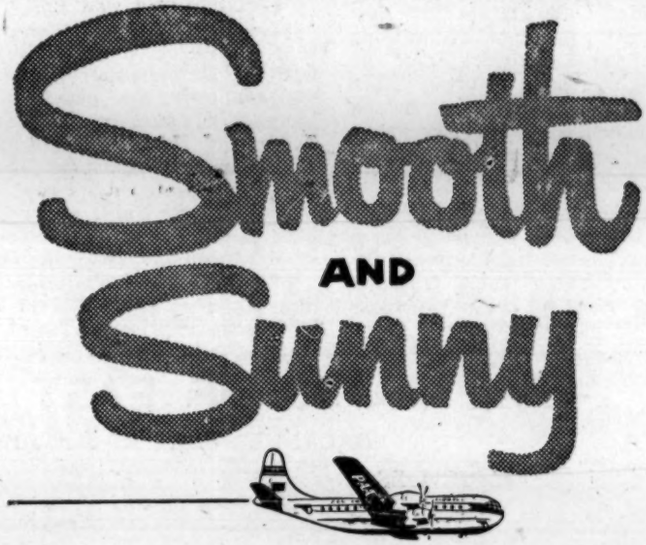
Oversea Investments Australian. Castlemain Perkins 29/-, Blair Athol Coal and Timber 17/3, Elder Smith 28/6, Mount Lyell 23/7½, Popes Industries 30/3.

COMPANY REPORTS:

Henry Waugh and Co., Ltd. Have been awarded War Damage compensation and received interim payments as follows:

Insured Goods—Award $732,025; Payment Received 40% $292,810. Outright Award—Award $118,530; Payment Received 30% $35,557.

Lunas Rubber Estates Ltd. Made $863,218 (205½%) in financial year to 30th October 1951. Final dividend recommended 40% will make 100% for the year. Net liquid assets in Balance Sheet work out at $584,570 or $1.39 per share. Lunas has also a $121,000 par investment in Chermang Development Ltd. from which dividends totalling 105% were received during the period. Cost of production delivered ex-estate worked out at 50.7 cents per lb. on a crop averaging 758 lb. per acre. 299 acres out of 1,144 in production are replanting with modern material while similar stock has been used in post-war plantings still immature which extend to 222 acres.



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THE BANK OF EAST ASIA, LTD.

Thirty-third Ordinary Annual Meeting

At the thirty-third ordinary yearly meeting of shareholders of The Bank of East Asia, Ltd. held at the registered offices of the Bank last week, the Chairman said that he was glad to state "that the nett profit for 1951 shows an increase of $240,000 over that of the previous year," and added that taking into consideration the present conditions throughout the world, the working of the year was highly satisfactory. This successful result was chiefly due to the growth of business in all departments and the steady increase in the number of clients.

In line with the established policy of the Directors to operate the bank on a sound and conservative basis, available cash at the end of 1951 stood at a figure representing as much as 100% coverage against liabilities on deposits.

In view of the fact that Singapore is a centre of activities for overseas Chinese and produces most of the world's tin and rubber, the Chairman mentioned that the Directors considered it necessary to expand and a branch of the bank would be opened in that city in June this year. A suitable site for the construction of a new building had also been purchased and it was expected the building would be complete in a year and a half.

The Balance Sheet showed a grand total of Assets and Liabilities of $123,000,000, an increase of more than $25,000,000 over the previous year. This increase is mainly to be found under the heading of Deposits and Foreign Credits. The Chairman also said "it will interest Shareholders to know that we are now operating our Bank as an international institution having valuable connections in the principal cities of the world."

The total profit available for distribution stood at $4,040,602 86 and the following appropriations were adopted:

Pay a Dividend & Bonus of $9 per share on 100,000 shares (Free of Tax)	$ 900,000.00
Transfer to Reserve	1,250,000.00
Write off Bank Premises	500,000.00
Provision for Corporation Profits Tax	400,000.00
Carry forward	990,602.86
	$4,040,602 86

THE HONGKONG & SHANGHAI HOTELS, LIMITED

The Directors of The Hongkong & Shanghai Hotels, Limited, announce that, from the balance at credit of the Profit & Loss Account at the 31st December, 1951, which is subject to audit, they will recommend at the forthcoming Ordinary Yearly Meeting of Shareholders, to be held on the 15th March next, the payment of a dividend of fifty cents per share free of tax.

THE BANK OF EAST ASIA, LIMITED.

BALANCE SHEET AT 31st DECEMBER, 1951

LIABILITIES

		Hongkong Currency
CAPITAL:		
CAPITAL AUTHORIZED 500,000 Ordinary Shares of HK$100-each	HK$50,000,000.00	
CAPITAL ISSUED 100,000 Ordinary Shares of HK$100-each fully paid		$ 10,000,000.00
RESERVE		6,250,000.00
PROFIT & LOSS APPROPRIATION ACCOUNT		990,602.86
		$ 17,240,602.86
CURRENT & OTHER DEPOSIT ACCOUNTS		85,057,740.45
ACCOUNTS PAYABLE		8,543,801.94
BILLS PAYABLE		99,313.14
STAFF PROVIDENT FUND		637,,476.32
PROPOSED DIVIDEND & BONUS FOR THE YEAR ENDED 31st DECEMBER, 1951 (Free of Tax)		900,000.00
FOREIGN CREDITS, ACCEPTANCES & GUARANTEES (As per Contra)		11,510,198.85
		HK$123,989,133.56

NOTE:—

The assets and liabilities of the Shanghai Branch at 31st December, 1951 have not been incorporated in the above accounts.

ASSETS

			Hongkong Currency
CASH IN HAND & AT BANKERS			$ 78,436,637.27
INVESTMENTS - at or under market value at 31st December, 1951			
British & Colonial Government Securities	$5,798,966.70		
Shares in Public Companies and other Securities	1,515,859.87		
Properties	2,353,008.91		9,667,835.48
BILLS RECEIVABLE			10,754,617.87
			$ 98,859,090.62
LOANS & ADVANCES TO CUSTOMERS			9,455,023.01
ACCOUNTS RECEIVABLE			819,753.65
BANK PREMISES AT COST LESS AMOUNTS WRITTEN OFF	$3,000,000.00		
LESS: WRITTEN OFF 1951	500,000.00		2,500,000.00
INVESTMENT HELD IN TRUST FOR STAFF PROVIDENT FUND			525,067.43
FURNITURE INCLUDING SAFE DEPOSIT BOXES, ETC.	$ 300,000.00		
ADDITIONS DURING YEAR	77,222.55		
	377,222.55		
LESS: DEPRECIATION 1951	57,222.55		320,000.00
CUSTOMERS' LIABILITIES ON CREDITS, ETC. (As per Contra)			11,510,198.85
			HK$123,989,133.56

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1951.

	Hongkong Currency
Directors' Fees	$ 44,000.00
Auditors' Fees	10,000.00
Balance carried to Profit & Loss Appropriation Account	3,058,210.90
	HK$3,112,210.90

	Hongkong Currency
Balance on Working for the year ended 31st December 1951, after providing for Depreciation of Bank Premises & Furniture and for all expenses and outstanding commitments	$3,112,210.90
	HK$3,112,210.00

PROFIT & LOSS APPROPRIATION ACCOUNT

	Hongkong Currency
Proposed Dividend & Bonus of $9.00-per share on 100,000 shares (Free of Tax)	$ 900,000.00
Transfer to Reserve	1,250,000.00
Amount Written off Bank Premises	500,000.00
Provision for Corporation Profits Tax	400,000.00
Balance Carried to Balance Sheet	990,602.86
	HK$4,040,602.86

	Hongkong Currency
Balance Brought Forward from 1950	$ 982,391.96
Balance from Profit and Loss Account for the year 1951	3,058,210.90
	HK$4,040,602.86

NOTICE

A. S. WATSON & COMPANY, LIMITED

NOTICE is hereby given that the 63rd. Ordinary Yearly Meeting of the Company (since registration) will be held at the Hong Kong Hotel, Hong Kong, on Friday the 22nd February, 1952, at 11.15 a.m., for the purpose of receiving the Report of the Directors together with the Statement of Accounts for the period ended 31st October, 1951, and to elect Directors and appoint auditors.

At 11.30 a.m. of the same day at the same place, an Extraordinary General Meeting of the Company will be held for the purpose of considering two resolutions fully set out in the Notices convening this Meeting which have been sent to individual shareholders. The first resolution provides for the termination of the Agreement between the Company and Messrs. John D. Humphreys & Son and for the compensation of Messrs. John D. Humphreys & Son Ltd., the successors in business of the said Messrs. John D. Humphreys & Son. The resolution also provides for the offer to members of 50,000 shares in the Company at $20.00 per share in order to raise part of the compensation payable to the said General Managers in consequence of the termination of the said Agreement. In the event of this resolution being carried, a further resolution will be proposed as a special resolution. This provides for consequential amendments to the Articles of Association of the Company arising from the termination of the Agreement with the General Managers and for the transfer of the powers formerly exercised by the General Managers to the Board of Directors of the Company. Any shareholder who has not received the Notice setting out these resolutions in full and the accompanying Statement from the Chairman of the Board of Directors may obtain copies on application to the Secretary of the Company.

The Transfer Books of the Company will be closed from Monday, 11th February, 1952, to Friday, 22nd February, 1952, both days inclusive.

By Order of the Board,

WM. PATERSON,
Secretary.

Hong Kong, 1st February, 1952.

HONGKONG SHIPPING REPORTS

For January 1952

Arrivals — Ocean Steamers					Departures			
Flag	No.	Tonnage	Cargo	Passengers	No.	Tonnage	Cargo	Passengers
British	111	288,869	90,139	785	109	289,068	64,272	1,738
American	15	84,166	9,738	147	14	71,943	1,973	366
Chinese	12	10,621	10,432	6	14	18,421	7,595	—
Danish	12	48,286	17,382	14	15	54,807	6,828	14
Dutch	13	67,678	27,370	281	13	68,482	10,260	472
French	5	32,708	513	30	5	32,708	1,700	143
Italian	1	5,208	2,220	116	1	5,208	600	134
Norwegian	28	71,466	47,110	236	29	77,398	17,135	192
Panamanian	8	10,435	10,461	—	11	14,679	17,032	—
Philippine	10	23,830	12,893	1	10	21,631	4,850	1
Pakistan	1	1,813	—	—	1	1,813	3,907	—
Portuguese	—	—	—	—	2	391	—	—
Swedish	6	17,222	4,720	10	6	18,766	4,487	17
Total Foreign	111	373,433	142,839	841	121	386,249	76,367	1,339
Total	222	662,302	232,978	1,626	230	675,315	140,639	3,077
River Steamers								
British	127	116,081	2,531	29,118	127	116,935	2,396	34,542
Chinese	27	2,757	421		25	2,549	507	
Total Foreign	27	2,757	421		25	2,549	507	
Total	154	118,838	2,952	29,118	152	119,484	2,903	34,542

January 1952:

Total ocean steamer tonnage: 759,682; total river tonnage: 238,322; grand total: 998,004.

Total ocean passengers: 4,703; total river passengers: 63,660 grand total: 68,363.

Monthly Averages 1948 to 1951:

	Ocean Steamers Tonnage		River Steamers Tonnage		Ocean Passengers		River Passesgers	
	In	Out	In	Out	In	Out	In	Out
1948	659,582	651,394	122 834	123,338	23,583	19,547	37,529	29,769
1949	824,239	828,696	163,345	168,147	21,952	21,564	48,496	52,620
1950	763,702	769,097	207,847	207,465	4,887	9,066	63,887	65,333
1951	654,391	674,586	151,827	152,034	2,871	4,532	36,708	38,335
1952:								
Jan.	662,302	675,315	118,838	119,484	1,626	3,007	29,118	34,542

HONGKONG COMMERCIAL CARGO

For January 1952

1952:	Ocean Vessels Discharged	Ocean Vessels Loaded	River Vessels Discharged	River Vessels Loaded
	Tonnage			
January	232,978	140,639	2,952	2,903

January 1952:

Total ocean cargo discharged & loaded: 373,617 tons; total river cargo: 5,855 tons; grand total: 379,472 tons.

Monthly average for 1947, 1948, 1949, 1950 & 1951 (in tons):—

	1947	1948	1949	1950	1951
Ocean cargo in	187,552	193,416	272,418	320,079	259,735
,, ,, out	71,047	87,849	128,034	185,732	139,513
River cargo in	7,488	9,042	8,291	7,893	3,352
,, ,, out	7,369	7,456	10,404	8,943	7,321

Highest and lowest ocean cargo figures for 1948, 1949, 1950 & 1951 (in tons,:)—

	1948	1949	1950	1951
Highest discharged	241,574 in Mar.	377,034 in Dec.	443,678 in Jan.	339,539 in May
,, loaded	122,684 in Dec.	158,697 in Sept.	228,730 in Dec.	199,610 in Feb.
Lowest discharged	138,922 in Nov.	179,805 in Feb,	252,428 in Aug.	208,717 in Nov.
,, loaded	57,988 in Oct.	16,461 in Feb.	123,112 in Feb.	104,071 in Sept.

HONGKONG SHIPPING

For January 1952

Foreign Trade Conducted by Junks and Launches of 60 Registered Tons and under

JUNKS

	Vessels Inward	Vessels Outward	Reg. Tonnage Inward	Reg. Tonnage Outward	Dead Weight Tonnage of Cargo Inward	Dead Weight Tonnage of Cargo Outward	Passengers Inward	Passengers Outward
1952 January	844	804	111,441	101,284	30,679	7,295	—	—
1951 December	889	920	112,100	114,448	38,273	7,948	9	7
	— 45	—116	— 659	— 13,164	+ 1,406	—653	—9	—7

LAUNCHES

1952 January	210	205	4,454	3,689	1,239	—	—	—
1951 December	222	230	4,434	4,578	378	394	—	—
	— 12	— 25	+ 20	— 889	+861	— 394	—	—

Total Vessels entered & cleared Dec. 1951	2,261	235,560	N.R. Tons
" " " " Jan. 1952	2,063	220,868	
	— 198	—14,692	
Total Cargo discharged & loaded Dec. 1951		46,993	D.W. Tons
" " " " Jan. 1952		48,213	
		+ 1,220	

January 1952:	**In**	**Out**
Tonnage of Cargo: Junks	39,679	7,295
" " " : Launches	1,239	—
Total	40,918	7,295
Tonnage of Vessels: Junks	111,441	101,284
" " " : Launches	4,454	3,689
Total	115,895	104,973
No. of Passengers	—	—

Local Trade Conducted by Junks and Launches of 60 Registered Tons and under

JUNKS

	Vessels Inward	Vessels Outward	Reg. Tonnage Inward	Reg. Tonnage Outward	Dead Weight Tonnage of Cargo Inward	Dead Weight Tonnage of Cargo Outward	Passengers Inward	Passengers Outward
1952 January	1,019	1,007	43,817	43,163	9,350	8,612	—	—
1951 December	1,509	1,572	64,559	64,808	11,292	7,579	20	20
	— 490	— 565	—20,742	— 21,645	— 1,942	+1,033	—20	—20

LAUNCHES

1952 January	357	356	7,428	7,404	116	5,246	24,327	23,654
1951 December	340	342	6,572	6,616	212	676	22,604	22,346
	+ 17	+ 14	+ 856	+ 788	— 96	+4,570	+1,723	+1,308

Total Vessels entered & cleared Dec. 1951	3,763	142,555	N.R. Tons
" " " " Jan. 1952	2,739	101,822	
	—1,024	—40,743	
Total Cargo discharged & loaded Dec. 1951		19,759	D.W. Tons
" " " " Jan. 1952		23,324	
		+ 3 565	

THE HONGKONG ELECTRIC CO., LTD.

Notice to Shareholders

NOTICE IS HEREBY GIVEN that the Fifty-ninth Ordinary Yearly Meeting of Shareholders will be held at the Company's Office, 4th Floor, P. & O. Building, on Thursday, the 6th day of March 1952, at 11 a.m. for the purpose of receiving and considering the Reports of the Directors and of the Auditors and the Profit and Loss Account and the Balance Sheet for the year ended 31st December 1951, and for the election of Directors and the appointment of Auditors.

The Register of Transfers of the Company will be closed from Monday, the 25th of February to Thursday, the 6th of March 1952, both days inclusive.

By Order of the Board,

GIBB, LIVINGSTON & CO., LTD.,
Agents.

Hong Kong, 8th February, 1952.

THE HONGKONG & SHANGHAI BANKING CORPORATION

ORDINARY YEARLY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ordinary Yearly General Meeting of the Shareholders of the Corporation will be held at the Head Office of the Corporation, 1, Queen's Road Central, Hong Kong, on Friday the 7th day of March, 1952, at 11.30 a.m. for the purpose of receiving and considering the reports of the Directors and of the Auditors and the Profit and Loss Account and Balance Sheet for the year ended 31st December, 1951, and for the election of Directors and the appointment of Auditors.

The Register of Shares of the Corporation will be closed from Friday, the 22nd of February to Friday, the 7th of March, 1952, (both days inclusive) during which period no transfer of shares can be registered.

By Order of the Board.

A. MORSE,
Chief Manager.

22nd January, 1952.

HONGKONG'S PRINCIPAL TRADING PARTNERS

TOTAL VALUES OF IMPORTS & EXPORTS BY COUNTRIES FOR OCTOBER 1951

A few items are given below from the trade of Hongkong with some countries not included in the following tables specifying imports and exports for October. (Details of HK's trade by countries for September were given in the Review of Dec. 20, 1951, Vol. XI No. 25).

Australia—Imports HK$2.78 million; exports $6.43 million. Main imports: manufactured products of cereals $556,200; chemicals & pharmaceuticals $565,300; meat $393,700; dairy products $341,100. Main exports: vegetable oils $2.17 million; textile fabrics & small wares $1.91 m.; clothing & underwear of textile materials $554,900; manuf. articles, n.e.s. $419,600.

Czechoslovakia—Imports $829,402; exports $280. Main imports: paper $406,568; chemicals & pharmaceuticals $124,600.

Germany—Imports $25.5 m.; exports $2.27 m. Main imports: chemicals & pharm. $4.94 m.; dyes $7.56 m.; fetilizers $1.57 m.; paper $1.03 m.; manuf. of base metals $3.25 m.; manuf. articles $3.11 m. Main exports: vegetable oils $1.26 m.

Netherlands—Imports $13.89 m.; exports $6.04 m. Main imports: dairy products $1.59 m.; chemicals & pharm. $6.03 m.; dyes $1.29 m.; paper $802,600; beverages & vinegars $767,100; fertilizers $740,700; textile fabrics & small wares $716,400. Main exports: vegetable oils $1.06 m.; non-ferrous base metals $3.87 m.; wolframite $430,000.

Switzerland—Import $13.17 m.; exports $317,465. Main imports: chemicals pharm. $2.09 m.; dyes $1.13 m.; manuf. articles $8.46 m.; Main exports: hides & skins $208,900.

UNITED KINGDOM

Articles	Imports	Exports
	$	$
Meat and preparations	78,947	2,340
Dairy products, eggs and honey	331,873	230
Fishery prod. for food	49,606	2,044
Manu. prod. of cereals, chiefly for food	714,486	100
Fruits and nuts, except oil-nuts	46,964	2,525
Vegetables, roots and tubers	61,204	90,304
Sugar and sugar confectionery	1,143,288	—
Coffee, tea, cocoa & preparations; spices	618,398	538,905
Beverages and vinegars	492,854	—
Feeding stuffs for animals, n.e.s.	15,904	—
Tobacco	1,081,328	—
Animal & vegetable oils, fats, greases, waxes & manufactures, n.e.s.	52,325	2,269,109
Chemical elements and compounds; pharmaceutical products	7,544,195	359,316
Dyeing, tanning, colouring substances (not incl. crude materials)	2,960,234	140
Essential oils, perfumery, cosmetics, soaps and related products	710,885	156,702
Fertilizers	50,077	—
Rubber and manufactures thereof, n.e.s.	850,579	—
Wood, cork & manuf.	16,668	3,583
Pulp, paper, cardboard & manuf.	1,431,407	962
Hides, skins, leather	201,370	550,624
Manuf. of leather, not incl. clothing	38,233	—
Furs, not made up	—	130,100
Textile materials, raw or simply prepared	4,712,321	6,250
Yarns and threads	2,549,969	1,040
Textile fabrics and small wares	9,137,227	1,373,659
Special and technical textile articles	898,296	—
Clothing and underwear of textiles; hats of all mater.	2,290,243	188,135
Clothing of leather and fur	67,198	—
Footwear: boots, shoes and slippers	113,410	1,468,826
Made-up articles of textile materials other than clothing	522,783	158,408
Products for heating, lighting, power, lubricants, etc.	460,543	—
Non-metallic minerals	251,155	—
Pottery and other clay products	159,681	17,836
Glass and glassware	246,738	336
Manufactures of non-metallic minerals	189,021	—
Precious metals and prec. stones, pearls & arts. made of these mater.	45,567	36,140
Ores, slag, cinder	2,066	276,027
Iron and steel	2,297,344	—
Non-ferrous base metals	401,057	238,702
Manuf. of base metals	1,922,147	348,162
Machinery, apparatus & appl. other than electrical	3,888,276	924
Electrical machinery, apparatus & appl.	2,410,065	97,998
Vehicles and transport equipment	2,481,354	37,100
Miscel. crude or simply prepared prod.	44,113	1,132,395
Manufactured articles	2,202,773	316,714
Total Merchandise	55,784,172	9,805,636
Gold and specie	3,486	6,098,247
Grand Total	55,787,658	15,903,883

CEYLON

Articles	Imports	Exports
	$	$
Manu. prod. of cereals, chiefly for food	—	182
Fruits and nuts, except oil-nuts	8,240	8,024
Vegetables, roots and tubers	—	427,857
Coffee, tea, cocoa & preparations; spices	82,278	—
Chemical elements and compounds; pharmaceuticals	—	20,644
Wood, cork & manuf.	—	363
Pulp, paper, cardboard & manuf.	—	225,068
Manuf. of leather, not incl. clothing	—	500
Textile materials, raw or simply prepared	3,446	—
Textile fabrics and small wares	—	115,933
Clothing and underwear of textiles; hats of all mater.	—	109,742
Non-metallic minerals	—	120
Pottery and other clay products	—	1,189
Glass and glassware	—	1,240
Precious metals and prec. stones, pearls & arts. made of these mater.	3,000	960
Manuf. of base metals	—	108,854
Electrical machinery, apparatus & appl.	—	14,550
Miscel. crude or simply prepared prod.	—	24,039
Manufactured articles	—	27,557
Total	96,964	1,086,822

INDIA

Articles	Imports	Exports
	$	$
Meat and preparations	36,000	—
Dairy products, eggs and honey	—	145
Fishery prod. for food	52,100	6,321
Manu. prod. of cereals, chiefly for food	—	5,959
Fruits and nuts, except oil-nuts	123,930	4,320
Vegetables, roots and tubers	—	12,227

Sugar and sugar confectionery	—	1,554
Coffee, tea, cocoa & preparations; spices	—	625
Tobacco	2,018,146	—
Animal & vegetable oils, fats, greases, waxes & their manuf.	135,673	94,833
Chemical elements and compounds; pharmaceuticals	67,576	210,334
Dyeing, tanning, colouring substances (not incl. crude materials)	456,904	7,413
Essential oils, perfumery, cosmetics, soaps, etc.	47,080	11,136
Wood, cork & manuf.	67,300	170
Pulp, paper, cardboard & manuf.	—	2,563
Hides, skins, leather	7,365	—
Manuf. of leather, not incl. clothing	9,046	—
Yarns and threads	183,910	—
Textile fabrics and small wares	1,000,360	215
Special and technical textile articles	124,021	—
Clothing and underwear of textiles; hats of all mater.	60	208
Footwear: boots, shoes and slippers	4,572	—
Made-up articles of textile materials other than clothing	1,867,890	—
Products for heating, lighting, power, lubricants, etc.	1,144,412	—
Non-metallic minerals, crude or simply prepared, n.e.s.	24,770	—
Glass and glassware	—	2,276
Manuf. of base metals	1,332	607,448
Machinery, apparatus & appliances other than electrical	—	14,400
Electrical machinery, apparatus & appl.	67	104,844
Miscel. crude or simply prepared prod.	379,843	235,228
Manufactured articles	45,694	22,168
Total	7,798,051	1,344,387

MALAYA

Articles	Imports	Exports
	$	$
Meat and preparations	—	267,533
Dairy products, eggs and honey	8,112	1,286,100
Fishery prod. for food	73,556	983,022
Cereals	58,688	2,728
Manu. prod. of cereals, chiefly for food	20,000	225,298
Fruits and nuts, except oil-nuts	11,837	2,838,784
Vegetables, roots and tubers	268,351	4,402,474
Sugar and sugar confectionery	11,997	2,226,810
Coffee, tea, cocoa & preparations; spices	330,485	973,278
Beverages and vinegars	11,680	516,153
Feeding stuffs for animals	—	1,708,741
Tobacco	6,000	562,890
Oil-seeds, nuts, kernels	—	373,265
Animal & vegetable oils, fats, greases, waxes & manu.	408,163	362,022
Chemical elements and compounds; pharmaceuticals	495,477	1,356,620
Dyeing, tanning, colouring substances (not incl. crude materials)	46,890	224,118
Essen. oils, perfumery, cosmetics, soaps	454,621	246,586
Rubber & manuf.	1,774,181	3,330
Wood, cork & manuf.	517,986	110,888
Pulp, paper, cardboard & manuf.	17,635	1,972,633
Hides, skins, leather	294,724	—
Manuf. of leather, not incl. clothing	730	474,483
Yarns and threads	45,607	444,730
Textile fabrics and small wares	1,539,193	3,280,817
Special and technical textile articles	6,230	653,155
Clothing and underwear of textiles; hats of all mater.	29,737	8,062,926
Footwear: boots, shoes and slippers	9,620	218,187
Made-up articles of textile materials other than clothing	12,000	687,992
Products for heating, lighting, power, lubricants, etc.	2,682,487	—
Non-metallic minerals	3,000	165,704
Pottery and other clay products	—	94,965
Glass and glassware	27,380	303,558
Manufactures of non-metallic minerals	6,200	23,461
Precious metals and prec. stones, pearls & arts. made of these mater.	—	532,224
Iron and steel	274,060	—
Non-ferrous base metals	507,790	—
Manuf. of base metals	528,376	1,658,776
Machinery, apparatus & appl. other than electrical	18,548	405,519
Electrical machinery, apparatus & appl.	1,700	625,394
Vehicles and transport equipment	41,590	315,043
Miscel. crude or simply prepared prod.	621,458	2,405,758
Manufactured articles	195,103	6,630,754
Total	11,361,192	47,626,719

NORTH BORNEO (British)

Articles	Imports	Exports
	$	$
Meat and preparations	—	44,209
Dairy products, eggs and honey	—	20,204
Fishery prod. for food	33,493	20,393
Manu. prod. of cereals, chiefly for food	—	34,041
Fruits and nuts, except oil-nuts	54,620	55,055
Vegetables, roots and tubers	53,400	57,460
Sugar and sugar confectionery	32,500	22,520
Coffee, tea, cocoa & preparations; spices	—	28,963
Beverages and vinegars	—	96,811
Feeding stuffs for animals	—	472
Tobacco	—	6,175
Oil-seeds, nuts and kernels	16,277	4,491
Animal & vegetable oils, fats, greases, waxes & manu.	8,481	23,408
Chemical elements and compounds; pharmaceuticals	6,338	21,388
Dyeing, tanning, colouring substances (not incl. crude materials)	—	2,252
Essential oils, perfumery, cosmetics, soaps, etc.	—	4,903
Rubber & manuf.	269,496	50
Wood, cork & manuf.	1,635,770	16,254
Pulp, paper, cardboard & manuf.	—	53,087
Hides, skins and leather	23,550	1,120
Manuf. of leather, not incl. clothing	—	28,134
Textile materials, raw or simply prepared	—	1,109
Textile fabrics and small wares	—	55,848
Special and technical textile articles	—	17,927
Clothing and underwear of textiles; hats of all mater.	—	40,020
Footwear: boots, shoes and slippers	—	38,212
Made-up articles of textile materials other than clothing	—	23,365
Products for heating, lighting, power, lubricants, etc.	—	5,930
Non-metallic minerals	—	59,389
Pottery and other clay products	2,072	11,005
Glass and glassware	—	8,273
Manufactures of non-metallic minerals	—	4,965
Precious metals and prec. stones, pearls & arts. made of these mater.	—	3,950
Iron and steel	—	17,556
Manuf. of base metals	400	54,938
Machinery, apparatus & appl. other than electrical	—	3,335
Electrical machinery, apparatus & appl.	—	2,930
Miscel. crude or simply prepared prod.	106,484	34,570
Manufactured articles	130	83,830
Total Merchandise	2,243,011	1,008,542
Gold and specie	—	80,650
Grand Total	2,243,011	1,089,192

PAKISTAN

Articles	Imports	Exports
	$	$
Fishery prod. for food	420,560	180
Vegetables, roots and tubers	—	642
Coffee, tea, cocoa & preparations, spices	—	450
Beverages and vinegars	—	90

Animal and vegetable oil, fats, greases, waxes & manufactures, n.e.s.	—	1,009
Chemical elements and compounds; pharmaceuticals	—	6,312
Dyeing, tanning and colouring substances (not incl. crude materials)	—	14,599
Essen. oils, perfumery, cosmetics, soaps	—	5,017
Wood, cork & manuf.	—	50,450
Pulp, paper, cardboard & manuf.	—	118,403
Textile materials, raw or simply prepared	2,505,267	—
Yarns and threads	—	17,299,244
Textile fabrics and small wares	6,504	219,754
Special and technical textile articles	—	11,554
Clothing and underwear of textiles; hats of all mater.	—	23,996
Pottery and other clay products	—	480
Manuf. of base metals	—	144,180
Machinery, apparatus & appliances other than electrical	—	85,950
Electrical machinery, apparatus and appl.	—	10,924
Miscel. crude or simply prepared prod.	—	33,724
Manufactured articles	—	599,734
Total	2,932,331	18,626,683

BURMA

Articles	Imports $	Exports $
Meat and preparations thereof	—	1,537
Dairy products, eggs and honey	—	36,370
Fishery products, for food	—	10,582
Manu. prod. of cereals, chiefly for food	—	327,163
Fruits and nuts, except oil-nuts	—	127,956
Vegetables, roots and tubers	—	64,897
Sugar and sugar confectionery	—	26,485
Coffee, tea, cocoa & preparations, spices	—	49,067
Beverages and vinegars	—	97,150
Tobacco	125	22,500
Oil-seeds, nuts and kernels	—	1,160
Chemical elements and compounds; pharmaceuticals	—	79,263
Dyeing, tanning, colouring substances (not incl. crude materials)	—	90,614
Essen. oils, perfumery, cosmetics, soaps	—	6,520
Wood, cork & manuf.	—	1,550
Pulp, paper, cardboard & manuf.	—	313,976
Textile materials, raw or simply prepared	166,870	—
Yarns and threads	—	190,500
Textile fabrics and small wares	—	44,414
Clothing and underwear of textiles; hats of all mater.	—	312,635
Footwear: boots, shoes and slippers	—	27,527
Made-up articles of textile materials other than clothing	—	5,142
Pottery and other clay products	—	42,250
Glass and glassware	—	20,835
Precious metals and prec. stones, pearls & arts. made of these mater.	10,309	—
Manuf. of base metals	—	189,205
Electrical machinery, apparatus & appl.	—	100,730
Vehicles and transport equipment	—	10,356
Miscel. crude or simply prepared prod.	38,160	26,498
Manufactured articles	—	513,020
Total	215,464	2,739,902

CHINA, NORTH

Articles	Imports $	Exports $
Meat and preparations	426,009	—
Dairy products, eggs and honey	561,413	24
Fishery prod. for food	79,684	—
Cereals	213,756	—
Manu. prod. of cereals, chiefly for food	689,511	—
Fruits and nuts, except oil-nuts	931,023	—
Vegetables, roots and tubers	3,706,739	—
Sugar and sugar confectionery	9,900	—
Coffee, tea, cocoa & preparations; spices	385,850	35,487
Beverages and vinegars	447,890	108
Feeding stuffs for animals	938,438	—
Tobacco	—	380
Oil-seeds, nuts, kernels	1,590,802	—
Animal & vegetable oils, fats, greases, waxes & manu.	904,390	—
Chemical elements and compounds; pharmaceuticals	397,879	6,329,301
Dyeing, tanning, colouring substances (not incl. crude materials)	12,470	2,826,654
Essential oils, perfumery, cosmetics, soaps, etc.	—	51,980
Wood, cork & manuf.	30,251	190,932
Pulp, paper, cardboard & manuf.	21,626	2,564,842
Hides, skins, leather	—	119,695
Furs, not made up	7,850	—
Textile materials, raw or simply prepared	466,207	1,147,783
Yarns and threads	30,000	8,800
Textile fabrics and small wares	1,598,614	2,163,875
Special and technical textile articles	—	100,987
Clothing and underwear of textiles; hats of all mater.	182,672	—
Clothing of leather and fur	14,000	—
Footwear: boots, shoes and slippers	3,089	—
Made-up articles of textile materials other than clothing	44,434	343,984
Products for heating, lighting, power, lubricants, etc.	794	—
Non-metallic minerals	—	85,113
Pottery and other clay products	49,656	—
Glass and glassware	15,687	24,607
Manufactures of non-metallic minerals	1,262	108,161
Precious metals and prec. stones, pearls & arts. made of these mater.	12,669	—
Iron and steel	—	4,832
Manuf. of base metals	89,934	826,847
Machinery, apparatus & appl. other than electrical	25,767	2,566,557
Electrical machinery, apparatus & appl.	15,322	178,002
Vehicles and transport equipment	—	12,800
Miscel. crude or simply prepared prod.	9,089,527	1,013,707
Manufactured articles	312,532	2,095,385
Total	23,307,647	22,800,843

CHINA, CENTRAL (excluding Formosa)

Articles	Imports $	Exports $
Live animals, chiefly for food	46,458	—
Dairy products, eggs and honey	440,044	48,205
Fishery prod. for food	40,941	16,240
Manu. prod. of cereals, chiefly for food	3,300	28,120
Fruits and nuts, except oil-nuts	501,728	32,575
Vegetables, roots and tubers	550,312	9,525
Sugar and sugar confectionery	—	605,838
Coffee, tea, cocoa & preparations, spices	76,670	214,750
Beverages and vinegars	1,200	65,935
Feeding stuffs for animals	9,279	—
Oil-seeds, nuts and kernels	9,900	—
Animal & vegetable oils, fats, greases, waxes & manu.	905,480	44,387
Chemical elements and compounds; pharmaceuticals	2,600	652,260
Dyeing, tanning, colouring substances (not incl. crude materials)	—	202,616
Essen. oils, perfumery, cosmetics, soaps	—	52,093
Fertilizers	—	3,131,492
Wood, cork & manuf.	19,763	—
Pulp, paper, cardboard & manuf.	558,398	194,420
Hides, skins and leather	—	25,500
Manuf. of leather, not incl. clothing	—	635
Textile materials, raw or simply prepared	14,500	1,000
Yarns and threads	—	79,411
Textile fabrics and small wares	731,308	487,408
Special and technical textile articles	492,880	3,700
Clothing and underwear of textiles; hats of all mater.	—	203,930
Footwear: boots, shoes and slippers	—	32,001

Made-up articles of textile materials other than clothing	—	6,215
Products for heating, lighting, power, lubricants, etc.	—	73,601
Non-metallic minerals	3,600	2,890
Pottery and other clay products	192,574	—
Glass and glassware	—	900
Manufactures of non-metallic minerals	2,920	745
Manuf. of base metals	1,800	57,796
Machinery, apparatus & appl. other than electrical	—	150,000
Electrical machinery, apparatus & appl.	—	44,205
Vehicles and transport equipment	—	3,573
Miscel. crude or simply prepared prod.	294,627	72,457
Manufactured articles	47,337	14,051
Total	4,947,619	6,558,474

CHINA, SOUTH

Articles	Imports $	Exports $
Live animals, chiefly for food	4,481,768	—
Meat and preparations	122,416	—
Dairy products, eggs and honey	2,935,892	—
Fishery prod. for food	760,643	—
Cereals	1,686,056	—
Manu. prod. of cereals, chiefly for food	107,266	—
Fruits and nuts, except oil-nuts	1,021,348	—
Vegetables, roots and tubers	5,629,030	65
Sugar and sugar confectionery	—	5,925
Coffee, tea, cocoa & preparations; spices	802,259	201,580
Beverages and vinegars	240,000	960
Feeding stuffs for animals	1,047,496	—
Tobacco	—	7,095
Oil-seeds, nuts, kernels	957,889	—
Animal & vegetable oils, fats, greases, waxes & manu.	3,630,682	—
Chemical elements and compounds; pharmaceuticals	390,970	11,442,908
Dyeing, tanning, colouring substances (not incl. crude materials)	53,100	3,462,421
Essen. oils, perfumery, cosmetics, soaps	120,295	38,480
Fertilizers	9,780	486,131
Wood, cork & manuf.	1,819,133	446,838
Pulp, paper, cardboard & manuf.	935,856	2,483,106
Hides, skins, leather	11,750	—
Manuf. of leather, not incl. clothing	—	31,644
Furs, not made up	10,000	—
Textile materials, raw or simply prepared	784,090	198,000
Yarns and threads	7,800	150
Textile fabrics and small wares	1,200,866	14,320,397
Special and technical textile articles	58,406	115,144
Clothing and underwear of textiles; hats of all mater.	—	450
Made-up articles of textile materials other than clothing	2,894	1,573,138
Products for heating, lighting, power, lubricants, etc.	110,000	4,076
Non-metallic minerals	217,030	347,869
Pottery and other clay products	211,762	2 450
Glass and glassware	—	16,800
Manufactures of non-metallic minerals	2,685	41,537
Precious metals and prec. stones, pearls & arts. made of these mater.	9,960	—
Manuf. of base metals	42,112	1,337,979
Machinery, apparatus & appl. other than electrical	—	2 536,290
Electrical machinery, apparatus & appl.	—	448,429
Vehicles and transport equipment	—	105,995
Miscel. crude or simply prepared prod.	7,182,069	904,192
Manufactured articles	1,480,834	2,852,348
Total	38,084,047	43,432,357

FORMOSA

Articles	Imports $	Exports $
Meat and preparations	—	47,739
Dairy products, eggs and honey	—	900,316
Fishery prod. for food	12,450	346,330
Manu. prod. of cereals, chiefly for food	—	887,533
Fruits and nuts, except oil-nuts	279,434	38,802
Vegetables, roots and tubers	39,500	2,540,047
Sugar and sugar confectionery	—	8,408
Coffee, tea, cocoa & preparations; spices	1,638,416	24,162
Beverages and vinegars	—	66,356
Feeding stuffs for animals	—	203,640
Tobacco	4,500	246,691
Oil-seeds, nuts, kernels	—	358,313
Animal & vegetable oils, fats, greases, waxes & manu.	—	201,886
Chemical elements and compounds; pharmaceuticals	26,900	1,531,364
Dyeing, tanning, colouring substances (not incl. crude materials)	—	929,585
Essen. oils, perfumery, cosmetics, soaps	668,773	234,893
Rubber and manufactures	—	8,570
Wood, cork & manuf.	—	615,598
Pulp, paper, cardboard & manuf.	125,610	526,238
Hides, skins, leather	—	486,932
Manuf. of leather, not incl. clothing	—	1,525
Textile materials, raw or simply prepared	—	53,465
Yarns and threads	4,500	918,393
Textile fabrics and small wares	6,000	831,833
Special and technical textile articles	1,967	118,286
Clothing and underwear of textiles; hats of all mater.	8,800	82,800
Made-up articles of textiles other than clothing	—	960
Products for heating, lighting and power, lubricants, etc.	—	867
Non-metallic minerals	—	117,193
Pottery and other clay products	—	22,400
Glass and glassware	—	165,906
Manufactures of non-metallic minerals	—	13,025
Ores, slag, cinder	—	12,000
Iron and steel	—	9,826
Non-ferrous base metals	—	473,985
Manuf. of base metals	1,860	428,770
Machinery, apparatus & appl. other than electrical	—	242,787
Electrical machinery, apparatus & appl.	—	278,668
Vehicles and transport equipment	—	34,781
Miscel. crude or simply prepared prod.	770,861	1,745,263
Manufactured articles	407	487,115
Total	3,589,978	16,243,231

INDOCHINA

Articles	Imports $	Exports $
Meat and preparations thereof	8,140	—
Dairy products, eggs and honey	—	44,014
Fishery prod. for food	216,945	75,675
Cereals	7,002,047	—
Manu. prod. of cereals, chiefly for food	—	57,243
Fruits and nuts, except oil-nuts	15,376	413,463
Vegetables, roots and tubers	99,311	759,289
Sugar and sugar confectionery	—	3,598
Coffee, tea, cocoa & preparations; spices	—	122,736
Beverages and vinegars	—	43,632
Tobacco	—	19,203
Oil-seeds, nuts, kernels	76,268	—
Animal & vegetable oils, fats, greases, waxes & manu.	432,200	—
Chemical elements and compounds; pharmaceuticals	31,600	116,275
Dyeing, tanning, colouring substances (not incl. crude materials)	—	11,100
Pulp, paper, cardboard & manuf.	—	53,594
Hides, skins, leather	481,980	—
Textile materials, raw or simply prepared	1,300	15,500

Textile fabrics and small wares	—	99
Special and technical textile articles	—	45,000
Clothing and underwear of textiles; hats of all mater.	—	236
Footwear: boots, shoes and slippers	—	823,076
Made-up articles of textile materials other than clothing	—	254,861
Products for heating, lighting, power, lubricants, etc.	30,000	—
Non-metallic minerals	106,500	—
Non-ferrous base metals	311,753	—
Manuf. of base metals	—	17,938
Machinery, apparatus & appl. other than electrical	—	66,290
Electrical machinery, apparatus and appl.	1,809	1,110
Vehicles and transport equipment	2,050	37,870
Miscel. crude or simply prepared prod.	1,439,703	779,448
Manufactured articles	25,264	108,654
Total	10,282,246	3,869,904

JAPAN

Articles	Imports $	Exports $
Live animals, chiefly for food	60,000	—
Fishery prod. for food	1,981,721	5,098
Manu. prod. of cereals, chiefly for food	—	34,759
Fruits and nuts, except oil-nuts	466,080	424
Vegetables, roots and tubers	1,492,936	546,411
Sugar and sugar confectionery	10,000	36,289
Coffee, tea, cocoa & preparations; spices	756,001	9,864
Beverages and vinegars	51,600	174,643
Feeding stuffs for animals	—	140,400
Tobacco	—	10,394
Oil-seeds, nuts, kernels	—	91,200
Animal & vegetable oils, fats, greases, waxes & manu.	65,250	4,101
Chemical elements and compounds; pharmaceuticals	2,019,828	12,030
Dyeing, tanning, colouring substances (not incl. crude materials)	192,422	218,067
Essen. oils, perfumery, cosmetics, soaps	3,648	39,534
Rubber and manufactures	226,150	—
Wood, cork & manuf.	167,847	151,398
Pulp, paper, cardboard & manuf.	1,765,027	4,478
Hides, skins, leather	—	40,730
Manuf. of leather, not incl. clothing	30	12,800
Textile materials, raw or simply prepared	313,483	503,373
Yarns and threads	712,020	1,609,729
Textile fabrics and small wares	9,569,851	868,913
Special and technical textile articles	29,864	—
Clothing and underwear of textiles; hats of all mater.	134,165	162,038
Footwear: boots, shoes and slippers	—	7,600
Made-up articles of textile materials other than clothing	105,388	8,908
Non-metallic minerals	459,712	61,200
Pottery and other clay products	570,406	22,199
Glass and glassware	114,026	—
Manufactures of non-metallic minerals	236,859	—
Precious metals and prec. stones, pearls & arts. made of these mater.	—	159,364
Ores, slag, cinder	—	1,076,041
Iron and steel	3,292,895	437,317
Non-ferrous base metals	3,140,436	—
Manuf. of base metals	84,454	9,175
Machinery, apparatus & appl. other than electrical	1,425,023	260,000
Electrical machinery, apparatus & appl.	158,685	625
Vehicles and transport equipment	7,809	47,912
Miscel. crude or simply prepared prod.	203,828	571,582
Manufactured articles	474,354	190,533
Total	30,291,798	7,529,129

KOREA, SOUTH

Articles	Imports $	Exports $
Fishery prod. for food	62,530	—
Vegetables, roots and tubers	7,560	—
Sugar and sugar confectionery	—	233,578
Coffee, tea, cocoa & preparations, spices	—	900
Beverages and vinegars	—	11,970
Tobacco	—	840
Animal & vegetable oils, fats, greases, waxes & manu.	—	17,346
Chemical elements and compounds; pharmaceuticals	—	148,559
Dyeing, tanning, colouring substances (not incl. crude materials)	—	120,953
Essen. oils, perfumery, cosmetics, soaps	—	5,311
Wood, cork & manuf.	—	1,000
Pulp, paper, cardboard and manuf.	—	47,037
Manuf. of leather, not incl. clothing	—	288
Textile materials, raw or simply prepared	125,550	—
Yarns and threads	—	4,079,389
Textile fabrics and small wares	—	108,483
Clothing and underwear of textiles; hats of all mater.	—	6,732
Footwear: boots, shoes and slippers	—	256
Made-up articles of textile materials other than clothing	—	3,260
Glass and glassware	—	22,500
Manufactures of base metals	—	34,730
Electrical machinery, apparatus & appl.	—	2,610
Miscel. crude or simply prepared prod.	314,298	152,863
Manufactured articles	—	15,928
Total	509,938	5,014,533

MACAO

Articles	Imports $	Exports $
Live animals, chiefly for food	323,631	19,000
Meat and preparations	83,978	38,365
Dairy products, eggs and honey	510,046	203,694
Fishery prod. for food	770,247	201,608
Cereals	—	7,800
Manu. prod. of cereals, chiefly for food	13,890	224,311
Fruits and nuts, except oil-nuts	192,236	470,720
Vegetables, roots and tubers, chiefly for food and prep.	641,208	352,282
Sugar and sugar confectionery	300	680,212
Coffee, tea, cocoa & preparations, spices	564	82,845
Beverages and vinegars	603,788	320,594
Feeding stuffs for animals	23,238	36,707
Tobacco	71,586	3,014,821
Oil-seeds, nuts, kernels	—	180,967
Animal & vegetable oils, fats, greases, waxes & manu.	1,600	321,409
Chemical elements and compounds; pharmaceuticals	1,346,239	1,702,733
Dyeing, tanning, colouring substances (not incl. crude materials)	40,150	1,006,705
Essential oils, perfumery, cosmetics, soaps, etc.	80,594	170,329
Fertilizers	24,508	509,441
Rubber and manufactures	10,111	2,277
Wood, cork & manuf.	240,186	745,871
Pulp, paper, cardboard & manuf.	102,520	328,809
Hides, skins, leather	19,340	38,907
Manuf. of leather, not incl. clothing	2,182	9,179
Textile materials, raw or simply prepared	1,674	437,758
Yarns and threads	100,750	107,343
Textile fabrics and small wares	433,356	632,538
Special and technical textile articles	46,671	67,422
Clothing and underwear of textiles; hats of all mater.	118,350	421,734
Clothing of leather and fur	—	1,500
Footwear: boots, shoes and slippers	21,187	27,293
Made-up articles of textile materials other than clothing	31,316	52,393
Products for heating, lighting, power, lubricants, etc.	—	748,227

Non-metallic minerals, crude or simply prep.	2,096	147,212
Pottery and other clay products	17,874	56,223
Glass and glassware	29,450	73,495
Manuf. of non-metallic minerals	3,152	9,919
Iron and steel	3,702	302,671
Non-ferrous base metals	12,945	43,589
Manuf. of base metals	70,446	351,967
Machinery, apparatus & appl. other than electrical	104,220	165,498
Electrical machinery, apparatus and appl.	2,154	394,901
Vehicles and transport equipment	370	249,383
Miscel. crude or simply prepared prod.	452,325	166,872
Manufactured articles, n.e.s.	2,567,239	572,019
Total Merchandise	9,121,419	15,699,543
Gold and specie	4,479,329	—
Grand Total	13,600,748	15,699,543

PHILIPPINES

Articles	Imports $	Exports $
Live animals, chiefly for food	—	280
Meat and preparations	—	146,895
Dairy products, eggs and honey	—	537,741
Fishery prod. for food	—	174,558
Manu. prod. of cereals, chiefly for food	—	204,812
Fruits and nuts, except oil-nuts	8,100	240,892
Vegetables, roots and tubers	9,703	904,510
Sugar and sugar confectionery	—	38,780
Coffee, tea, cocoa & preparations; spices	60	253,310
Beverages and vinegars	—	2,002
Tobacco	73,214	—
Oil-seeds, nuts, kernels	—	12,901
Animal & vegetable oils, fats, greases, waxes & manu.	11,400	4,880
Chemical elements and compounds; pharmaceuticals	2,997	63,060
Dyeing, tanning, colouring substances (not incl. crude materials)	—	22,441
Rubber & manuf.	—	29,260
Wood, cork & manuf.	191,715	41,775
Pulp, paper, cardboard & manuf.	—	70,081
Manuf. of leather, not incl. clothing	—	12,804
Textile materials, raw or simply prepared	499,147	14,000
Yarns and threads	—	440,935
Textile fabrics and small wares	—	1,211,021
Special and technical textile articles	125,215	12,746
Clothing and underwear of textiles; hats of all mater.	40	634,207
Footwear: boots, shoes and slippers	—	2,953
Made-up articles of textile materials other than clothing	—	21,716
Products for heating, lighting, power, lubricants, etc.	1,906	755
Non-metallic minerals	—	420
Pottery and other clay products	—	56,440
Glass and glassware	—	35,859
Precious metals and prec. stones, pearls & arts. made of these mater.	—	2,850
Non-ferrous base metals	—	15,500
Manuf. of base metals	27,735	192,020
Machinery, apparatus & appl. other than electrical	—	30,126
Electrical machinery, apparatus and appl.	580	275
Vehicles and transport equipment	—	5,500
Miscel. crude or simply prep. prod.	8,000	108,711
Manufactured articles	4,590	260,686
Total	964,402	5,807,702

THAILAND

Articles	Imports $	Exports $
Meat and preparations	—	2,653
Dairy products, eggs and honey	—	49,810
Fishery products, for food	245,260	253,173
Cereals	9,453,170	200
Manu. prod. of cereals, chiefly for food	20,850	196,850
Fruits and nuts, except oil-nuts	11,938	429,923
Vegetables, roots, tubers	446,900	572,382
Sugar and sugar confectionery	149,165	91,632
Coffee, tea, cocoa & preparations; spices	87,870	189,450
Beverages and vinegars	—	61,584
Feeding stuffs for animals, n.e.s.	—	915
Tobacco	—	260
Oil-seeds, nuts, kernels	717,971	9,456
Animal & vegetable oils, fats, greases, waxes & manu.	1,097,965	20,462
Chemical elements and compounds; pharmaceuticals	707,475	397,851
Dyeing, tanning, colouring substances (not incl. crude materials)	2,160	234,228
Essen. oils, perfumery, cosmetics, soaps	—	23,752
Fertilizers	12,000	—
Rubber and manufactures	—	300
Wood, cork and manuf.	1,845,624	8,584
Pulp, paper, cardboard and manuf.	—	132,196
Manuf. of leather, not incl. clothing	382	36,082
Textile materials, raw or simply prepared	125,059	—
Yarns and threads	—	267,293
Textile fabrics and small wares	—	2,126,309
Special and technical textile articles	—	6,960
Clothing and underwear of textiles; hats of all mater.	—	1,618,497
Clothing of leather and fur	—	780
Footwear: boots, shoes and slippers	—	6,040
Made-up articles of textile materials other than clothing	—	226,550
Products for heating, lighting, power, lubricants, etc.	—	269,077
Non-metallic minerals	686,300	4,202
Pottery and other clay products	—	65,216
Glass and glassware	—	73,551
Manufactures of non-metallic minerals	—	4,825
Precious metals and prec. stones, pearls & arts. made of these mater.	219,801	—
Iron and steel	—	82,590
Manuf. of base metals	102,620	616,051
Machinery, apparatus & appl. other than electrical	10,900	6,980
Electrical machinery, apparatus & appl.	900	127,640
Vehicles and transport equipment	3,000	22,900
Miscel. crude or simply prep. prod.	960,424	228,561
Manufactured articles	27,606	986,273
Total Merchandise	16,935,340	9,452,038
Gold and specie	—	864,000
Grand Total	16,935,340	10,316,038

U. S. A.

Articles	Imports $	Exports $
Meat and preparations	100,276	—
Dairy products, eggs and honey	40,941	13,032
Fishery products, for food	1,205,501	386,392
Cereals	2,893	—
Manuf. prod. of cereals, chiefly for food	185,287	60,715
Fruits and nuts, except oil-nuts	5,130,644	103,400
Vegetables, roots, tubers	303,720	168,163
Sugar and sugar confectionery	185,433	24,967
Coffee, tea, cocoa & preparations; spices	175,298	56,678
Beverages and vinegars	250,208	40,489
Feeding stuffs for animals	7,499	—
Tobacco	9,593,279	—
Oil-seeds, nuts and kernels	—	900
Animal & vegetable oils, fats, greases, waxes & manu.	6,640	8,829
Chemical elements and compounds; pharmaceuticals	2,326,199	30
Dyeing, tanning, colouring substances (not incl. crude mater.)	328,340	—
Essen. oils, perfumery, cosmetics, soaps	588,679	287,442
Rubber and manuf.	13,972	—
Wood, cork and manuf.	99,652	131,701

Pulp, paper, cardboard and manuf.	1,033,400	11,448
Hides, skins, leather	156,921	—
Manuf. of leather, not incl. clothing	50,632	842
Textile materials, raw or simply prepared	—	343,838
Yarns and threads	9,842	402
Textile fabrics and small wares	2,870,125	705,746
Special and technical textile articles	147,589	—
Clothing and underwear of textiles; hats of all mater.	1,536,340	90,385
Clothing of leather and fur	8,141	—
Footwear: boots, shoes and slippers	141,204	109,056
Made-up articles of textile materials other than clothing	248,479	—
Products for heating, lighting, power, lubricants, etc.	220,011	—
Pottery and other clay products	27,105	29,173
Glass and glassware	400,510	12,098
Manufactures of non-metallic minerals ..	53,932	—
Precious metals and prec. stones, pearls & arts. made of these mater.	114,330	68,622
Iron and steel	826,222	—
Non-ferrous base metals	15,810	—
Manuf. of base metals	955,832	131,320
Machinery, apparatus & appl. other than electrical	1,100,418	—
Electrical machinery, apparatus & appl.	592,966	68,000
Vehicles and transport equipment	377,414	—
Miscel. crude or simply prep. prod.	234,419	8,954,477
Manufactured articles	1,386,641	2,147,028
Total Merchandise	33,052,744	13,955,173

INDONESIA

Articles	Imports	Exports
	$	$
Dairy products, eggs and honey	—	18,525
Fishery products, for food	11,264	56,850
Manuf. prod. of cereals, chiefly for food	—	11,263
Fruits and nuts, except oil-nuts	—	65,353
Vegetables, roots, tubers	70,087	270,687
Sugar and sugar confectionery	—	24,865
Coffee, tea, cocoa & preparations; spices	—	48,361
Beverages and vinegars	—	27,880
Feeding stuffs for animals	—	150
Tobacco	—	5,184
Oil-seeds, nuts and kernels	—	945
Animal & vegetable oils, fats, greases, waxes & manu.	2,341,281	225
Chemical elements and compounds; pharmaceuticals	176,,660	329,682
Dyeing, tanning, colouring substances (not incl. crude mater.)	33,750	97,287
Essen. oils, perfumery, cosmetics, soaps ..	—	57,838
Rubber & manuf.	—	920
Wood, cork and manuf.	—	19,523
Pulp, paper, cardboard and manuf.	—	462,488
Hides, skins and leather	27,178	—
Textile materials, raw or simply prepared	—	55,000
Yarns and threads	—	1,057,150
Textile fabrics and small wares	—	548,825
Special and technical textile articles	—	7,230
Clothing and underwear of textiles; hats of all mater.	—	3,012,969
Footwear: boots, shoes and slippers	—	4,740
Made-up arts. of textiles other than clothing	—	13,400
Products for heating, lighting, power, lubricants, etc.	6,305,357	—
Non-metallic minerals, crude or simply prep.	—	33,901
Pottery and other clay products	—	9,407
Glass and glassware	—	72,791
Manufactures of non-metallic minerals ..	—	424
Non-ferrous base metals	—	35,320
Manufactures of base metals	737	1,434,004
Machinery, apparatus & appl. other than electrical	3	36,303
Electrical machinery, apparatus & appl.	—	684,035
Vehicles and transport equipment	—	53,695
Miscel. crude or simply prepared prod. ..	1,408,192	232,180
Manufactured articles	1,000	784,738
Total	10,420,609	9,574,138

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U.S. CUSTOMS PROCEDURES WITH RESPECT TO MERCHANDISE OF CHINESE OR KOREAN ORIGIN

(U.S. Bureau of Customs Circular Letter No. 2771 of Jan. 15 1952, Ref. 741.03)

Reference is made to the Bureau of Customs Circular Letters of September 17, 1951 (No. 2756), August 13, 1951, and March 2, 1951, all of which deal with customs procedures with respect to merchandise of Chinese or North Korean origin as those procedures are affected by the Foreign Assets Control Regulations and particularly section 500.808 thereof. There is quoted below, for your information and guidance, certain rulings by the Acting Director, Foreign Assets Control, with respect to this subject matter.

1. Determination of country of origin of goods for the purposes of the Foreign Assets Control Regulations

Notwithstanding the provisions of section 500.808(f) of the Foreign Assets Control Regulations, it is expected that where an importer alleges that articles imported or to be imported are not of Chinese (except Formosan) or North Korean origin within the meaning of the Foreign Assets Control Regulations, determination with regard to the truth of the allegation will be made by the collector at the port where the allegation is presented. Care should be exercised to require licenses in connection with the entry of merchandise of Chinese (except Formosan) or North Korean origin misdescribed as the product of another country as, for example, Hongkong. On the other hand, merchandise which is, for example, of Hongkong origin within the meaning of the Foreign Assets Control Regulations should not be subjected to the license requirements and importers should not be directed to apply for Foreign Assets Control licenses in connection therewith. Should the determination of the country of origin of merchandise depend upon an interpretation of the provisions of section 500.808(g) or (h) and the collector is in doubt as to the proper interpretation of those subsections, he should refer the matter, with a report of all relevant facts, to the Bureau of Customs for transmittal to the Foreign Assets Control.

2. Feathers—Country of origin

Attention is directed to the fact that feathers plucked outside China from birds grown in China are regarded as articles of Chinese origin for the purposes of section 500-808 of the Foreign Assets Control Regulations notwithstanding the fact that such feathers may be regarded as the product of other countries for other purposes.

3. "Country of origin" as used for statistical purposes on customs entries

Attention is also directed to the fact that section 500.808 of the Foreign Assets Control Regulations is not intended in any way to affect the "country of origin" of imported merchandise for marking purposes within the meaning of section 304 of the Tariff Act of 1930 nor is it intended to alter the "country of origin" as that term is used for statistical purposes on customs entries. Thus it is quite possible for imported merchandise to have China as its "country of origin" for Foreign Assets Control purposes while having Hongkong or some other country as its "country of origin" for marking or statistical purposes.

4. Requirement of formal entries

Section 500.808 of the Foreign Assets Control Regulations does not require the presentation of Foreign Assets Control licenses in connection with certain informal entries of goods of Chinese or North Korean origin. It is not the purpose of this exception to allow informal entries to be used as an avenue for the evasion of the controls. Accordingly, in any case where there is reason to believe that accepting an informal entry would allow the importation without license of a commercial shipment or a shipment of substantial size or a split shipment where any such merchandise is of Chinese (except Formosan) or North Korean origin, the collector should require the filing of a formal entry with respect to the merchandise. This action on the collector's part will make the presentation of a Foreign Assets Control license mandatory.

With respect to passengers' baggage formal entry should be required wherever it is believed that the baggage contains merchandise of Chinese (except Formosan) or North Korean origin and the importation is either of a commercial nature, or is of a sufficient value or nature to warrant such action. Notwithstanding the preceding sentence, collectors are authorized to refrain from demanding the presentation of a formal entry in connection with passengers' baggage insofar as the Foreign Assets Control Regulations and these instructions are concerned, if in their judgment demanding such an entry would cause an undue burden upon the passenger or excessive administrative inconvenienc In any case in which on this basis collectors refrain from demanding a formal entry they should transmit to the Federal Reserve Bank of New York, New York, two copies of the passengers' baggage declaration relating to the importation in question each endorsed by them with a statement that the declaration was accepted pursuant to the provisions of this circular letter.

5. Return of mail packages

Insofar as the Foreign Assets Control Regulations are concerned, merchandise of Chinese (except Formosan) or North Korean origin imported by mail may be returned to the sender if the addressee so requests or if no Foreign Assets Control license has been presented to the appropriate collector within forty-five days from the date on which the addressee was notified of the importation and the need for obtaining a license in connection therewith unless the addressee states that there has been filed and is currently pending an application for an appropriate license. Addressees of mail packages containing merchandise of Chinese or North Korean origin should henceforth be advised of this provision as well as of the Foreign Assets Control licensing requirements.

6. Chinese and North Korean merchandise imported via APO mail

Collectors are authorized, without the presentation of a Foreign Assets Control license, to take any action which would otherwise be prohibited by section 500.808 of the Foreign Assets Control Regulations with respect to any package sent via APO mail provided a sales receipt indicating that the merchandise contained therein was purchased in a United States Government post exchange accompanies such package.

7. Authority to treat certain kinds of Chinese porcelain as if it were not merchandise of Chinese origin

Chinese porcelain of the following description may be treated as if it were not of Chinese origin for the purpose of section 500.808 if it qualifies within the provisions of par. 1811 of the Tariff Act of 1930: a. Porcelain decorated with the armorial bearings, crests, monograms, cyphers, or badges of European or American families or societies or bearing motifs based thereon. b. Porcelain decorated with European or American political, memorial, or Masonic scenes or devices or decorated with European figures, ships, or other scenes. c. Porcelain decorated with motifs or inscriptions in English, Latin, or any other European language.

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